

CHUCK COLLYER

Date and place of birth (if available):

Date and place of interview: June 11, 2013

Name of interviewer: Peter McKenzie-Brown

Name of videographer: Ty Reynolds

Full names (spelled out) of all others present:

Consent form signed: Yes

Transcript reviewed by subject:

Interview Duration: 1 hour, 10 minutes

Initials of Interviewer: PMB

Last name of subject: COLLYER

PMB: Today's date is the 11th of June. I am in Canmore. I am sitting with Ty Reynolds the videographer and Charles Collyer who has a long experience with Syncrude and elsewhere in the oil sands, which we will be talking about today. Now, I will be periodically stopping to spell words out and that so that the transcriber can understand.

COLLYER: When you are talking to me, I go by Chuck, not Charles.

PMB: Okay, so that is Chuck not Charles.

COLLYER: My mother called me that.

PMB: Okay, fair enough. Okay, Chuck thank you very much. Could you just quickly give me the short five or ten minute version of your career?

COLLYER: Well, I grew up in Montreal. I went to school in Montreal. I went to Queen's for university, graduated in 1952 with a mechanical engineering degree. I took my first employment with Imperial in Montreal, with Montreal East Refinery. We were there until 1961. I was the maintenance engineer in that period and transferred to Sarnia. I got my first break which sort of shaped my career, when I was sent as project engineer to producing in Edmonton at that time to build the first



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Judy Creek Gas Conservation Plant. I was still with Imperial. In Sarnia, I was involved in a number of chemical projects. In 1967, Exxon wanted to build the first and largest fertilizer complex here in Canada, which turned out to be the largest project that Exxon had ever done in the chemical side. The work in both projects was highly successful. After Redwater was finished, I went back to Sarnia.

PMB: What was the feedstock for that fertilizer plant? Was it gas?

COLLYER: It was gas for the ammonia side. Then there was the phosphoric acid, nitrogen acid, and sulphuric acid. It varied, but natural gas was the main feed. So, I went back to Imperial in Sarnia and was the chief project engineer for Imperial Oil for refining and petro-chemical projects until Syncrude had some breath of life. So, in 1971 there had been a go on the project in the Alberta Government; not that the negotiations were complete, but the permit had been awarded for a project at that time. The project at that time: 80,000 barrels a day; Imperial being one of the four principals; ARCO and Cities Service representing the other three. So, being in the position I was in, I got asked to be on the contractor selection team. That was in the end of 1971.

PMB: Now, at that time you were headquartered where?

COLLYER: Sarnia.

PMB: In Sarnia, Ontario?

COLLYER: The engineering was in Sarnia. So, that was my introduction. In 1972, I got asked to take on the project management responsibilities, which is an interesting story in its own right. We had done two projects out there, both very successful. I had a young family and we'd been moving back and forth a number of times. I wasn't really very enthusiastic about coming back again for a project that could be nothing more than a fancy study. So, at that time Dick Reid was president of Imperial. I asked him, I said, "Where does this project start and end?" Perspective at that time was Cities Service and Athabasca (it wasn't Syncrude at that point) had done some studies. They were primarily a research organization. They had a very minimal engineering staff. His comment to me was, "Well, we think it is about \$350 million. If it ever gets to \$700 million, it's ball game over." So, that was the introduction I'd had from the point of view of coming west again. But, we did agree to do that.

PMB: That was a huge amount of money in those days?

COLLYER: In those days it was, yeah. A big project would be \$75 million, before that GCOS was \$265 million or somewhere in that range. So, anyway I moved the family west and we began a nine year stint with Syncrude.

PMB: Were you living in Calgary or in Edmonton?

COLLYER: No, in Edmonton. Edmonton was the headquarters for Syncrude at that time. So, we had a period of about a year until towards the end of 1973. And, we had to have an estimate of some



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sort to address what this thing was likely going to cost. We did that. By, the time we'd even gathered up the studies that had been done, you have to realize there was very little engineering being done. The mine, the geotechnical studies and so on were in very preliminary stages. We just had little beavers.

PMB: Little what?

COLLYER: Little beavers. The small dragline that they were using and tried to test the...

PMB: Oh, right. I saw a photograph of that just last night.

COLLYER: Yeah, okay. That was doing a little bit or preliminary excavation to investigate the ore body. The estimate that we came up with in 1973 was just under \$1 billion. But, we knew that was not the total scope. We knew we had much we had to learn. But, it was enough with what was happening between the owners and the government that in 1973 the government finally gave the green light to Syncrude to proceed. So, we had another year of engineering to do to come up with a definitive estimate. So, one of the key things that happened at that time was that in addition to setting the ownership and royalties and those kinds of agreements between the government and the owners, there was permission legislated to negotiate a project agreement. Labour agreements were outlawed by the government at that point. But, there was no way the project could go ahead without labour stability. The environment here was hardly conducive to any kind of stability in the industry.

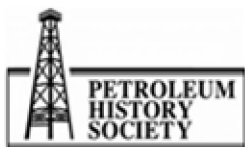
PMB: Well, why was that? Was that because the oil prices were just going up?

COLLYER: The labour agreement?

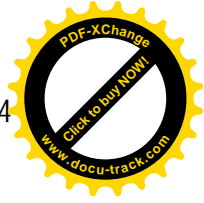
PMB: Yes. Well, why was labour stability a problem at that time? We're talking about the early 70s.

COLLYER: You have to realize what the labour environment was. If you had a project like Syncrude, you were going to have a minimum of 17 different construction trades each with their own union involved. The contractors had just formed an organization called, Alberta Construction Labour Relations Association, representative of all the industrial contractors. And, that was a negotiating body with the unions. It had the negotiating authority. Relationships were hardly positive between the unions and this new labour relations association. Labour agreements were negotiated by trade they had no common expiry dates and they were almost always marked by a strike, which could happen any time.

So, if you've got 17 trade unions, each one of them highly probable that they would strike, adversarial relationships between the contracting body and the individual trades. You had a disaster. When you looked at what we were involved in, sequential shut-downs for labour negotiations would be tremendously costly. But, it was also marked with all types of illegal work stoppages, jurisdiction begin the biggest one. So, we could not afford to do that, but at the same time we understood what the implications were for the rest of the provinces. They had to endure this type of labour environment. So, it placed restrictions on us of what we could agree to do. What we did agree to do



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is impose the labour agreement only on Lease 17. We had other work that was going to be done off lease. But, Lease 17 would be the boundary for the project labour agreement and we would not negotiated monetary issues. We would go with whatever the monetary issues were that were negotiated by the trades with the Alberta Construction Labour Relations Association. But, there would be no work stoppages. We also took under ourselves to commit that if there was a strike, we would not hire in the face of the strike. In other words, the tendency for the unions to roll their people during a strike, we weren't going to allow for that. In other words, if somebody quit or was laid off then that was it until this strike and negotiations were over. So, we were imposing some disciplines on ourselves in order to try to maintain this labour stability. That was the reason for the project labour agreement. Without it, there would have been no project.

PMB: Now, Lease 17, what were you constructing on there? Was that the first mine and the processing plant?

COLLYER: Yeah, yeah. But, it did not include the pipeline to Edmonton. It didn't include what we later did in terms of modular construction doing that work in Edmonton. Unless it was on the lease, the labour agreement did not apply. We lived with the same thing as everybody else.

PMB: Before we go on, if you don't mind, I would like you to tell me when you met your wife, how many kids you have and maybe a little bit of that part of your story?

COLLYER: I met my wife when I was at Queen's. She was a graduate nurse. In 1954, a couple years after I left university we were married. We've got three sons.

PMB: Her name is?

COLLYER: Paula. We have three sons. Interestingly enough, our eldest son Dave held senior positions with Shell and when he retired, they wanted him to take on the Canadian Association of Petroleum Producers as president. So, he's been involved...

PMB: Oh, Dave Collyer?

COLLYER: Yeah.

PMB: Oh, God of course. I used to work for the predecessor, CPA. Okay, isn't that interesting. I did not make that connection.

COLLYER: So, he's been there for about four years. We have a son who is an architect in Calgary and the latest, Telus Science Centre was one of his more recent projects. He is in Calgary. Our youngest son has a financial business in Dallas, Texas.

PMB: I notice that from the photographs on the walls over here, you must have lots of beautiful granddaughters?



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COLLYER: Ten.

PMB: Oh, my God; any grandsons?

COLLYER: No. We are soon to have our first great-grandchild.

PMB: Amazing. Thank you. I did want to get that in. So, let me go through a couple of things. You talked about how you were assigned by Imperial to represent that company with Syncrude. As I recall, the first ERCB hearing into Syncrude as in 1987 and it was turned down and then another one started in 1988.

COLLYER: You got...

PMB: Sorry, 1977 and then 1978. I'm sorry, I got those years wrong.

COLLYER: 1967.

PMB: 1967 and 1968. I was only off by a couple of decades. So, 1967 and 1968 and the first one was kind of catastrophic. They just didn't seem to have their technical information. Right, that is the year in 1967.

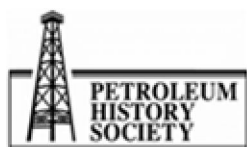
COLLYER: Well, that was before...

PMB: They were concerned about pro-rationing. Well, the government had policy which would restrict oil sands production. I forget who the applicants were, but would restrict oil sands production. That was done to protect conventional oil and the feeling that the oil sands were not needed in the early days.

COLLYER: That government policy when the second approval was given, which would have been I guess, 1968 (again before my time) production from Syncrude was being restricted to begin not before 1976. Maybe, it went on the heels of that came another Arab/Israeli crisis that caused a lot of consternation about security and supply. So, you had an on-hand government policy trying to protect domestic reserves and conventional production. Way back, Leduc had been in a factor in that. But, by the time you got to the 60s, you had the situation where the international factors were starting to come into play. When you got to 1973 the you had that Arab/Israeli war which turned the world on its ear with respect to the concern for energy. And, the outfall of that was that internationally companies were looking for options to secure energy supply and that turned focus on coals and fuels and alternate energy.

PMB: I knew one of the concerns at that time and I'm sure this was true in the States. I'm not sure whether it was true in Canada. But, conventional oil production peaked in about 1972.

COLLYER: It was starting to deplete. That had always been a concern. But, really when you go back and you ask yourself: why were the four oil companies persistent in considering the oil sands? At



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that time, oil prices were \$2.50/\$3.00 a barrel. But, one of the concerns was for security of supply for Canadian energy self-sufficiency. Another one was the belief that the oil prices which had not kept basement inflation, that trend had to reverse. The owners weren't really looking at Syncrude in the traditional return on investment basis. They were prepared to accept a lower return. What they want to do was to prove the resource.

PMB: Around the time all this was happening, there was the big discovery in Alaska by Atlantic Richfield.

COLLYER: Correct.

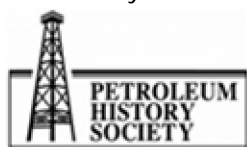
PMB: What were the implications of that for the project?

COLLYER: It was trivial. ARCO had to withdraw. They had made this long-term commitment with Syncrude. Now, they had this discovery in Alaska. They didn't have the financial resources to take both of them on. So, they withdrew from Syncrude. That left the gap that had to be filled, because we had delivered the definitive estimate by the end of 1974 at \$2.2 billion. When you lose a quarter of your equity players, there is a big hole to fill.

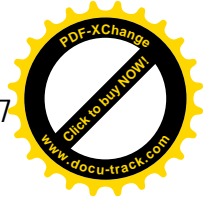
PMB: Now, at that time \$2.2 billion was one of the biggest industrial projects ever undertaken, wasn't it?

COLLYER: Syncrude was one of the largest and most complex projects ever undertaken in Canada. Put that in perspective, Syncrude embodies the largest mine in the world and the largest minerals processing facility in the world. The heart of the upgrading which was the fluid cokers which were just a component of the upgrading, the design capacity of those is bigger than the world-wide capacity of all fluid cokers in operation. The power plant which had not originally been in our scope, because there was an expectation that Alberta Power, one of the provincial power companies would own the power plant and build it. They chose not to. So, it had to be incorporated and that power plant was big enough to service a city of 300,000. We had to go on the international market to secure the equipment needed for the project and it was some of the heaviest equipment ever shipped across Canada.

Then, just to add another wrinkle, the private sector had never responded to the community development needs. We were going to have an employee base of about 3500 people which mean we had to at least house 10,000. But, they weren't stepping up to do the housing subdivision community development. So, it ended up that Syncrude had to form a company called Northward Development to undertake community development. So, we would be able to attract and house the employee base which was going to come down the road. So, these all became part of what constituted the Syncrude project. It can be taken in the sense of, that's great; got a mine, got a power plant and got a refinery. But, these are diverse industries. They have their own cultures. They have their own operating procedures and practices. They're not easy to coordinate. Here, we were going to have to do this in one project on one physical site which introduced considerable issues along the way. But, fortunately, we were able to overcome them. But, that is part of the complexity.



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PMB: Okay. I'm not quite sure what to say now. There was the crisis in 1975. I think it was February 1st.

COLLYER: That is the Winnipeg Agreement?

PMB: It was the Winnipeg Agreement. Now, I suspect you were not involved in that? I don't know.

COLLYER: Those were the owners and Bill Mooney who you have interviewed. He was a great person in bringing and keeping the players together. Now, we had our own problems.

PMB: Can you talk a little bit about that crisis and the Winnipeg Agreement from your perspective as somebody on the side?

COLLYER: We were on the side for the negotiations, but we were in the midst of it in other ways. When we had delivered the definitive estimate in November of 1974...

PMB: That amount was?

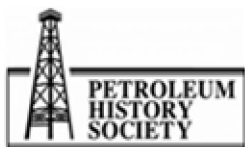
COLLYER: \$2.2 billion. Then ARCO walks out on the heels of that within several weeks.

PMB: Because, they have this huge development of light oil, a vast project at Prudhoe Bay to develop. That was going to be much more profitable, they thought. It was risky.

COLLYER: So, at any rate we had to move into a shut-down mode. We were in the early stages of ranking up the engineering. We had to suspend all engineering. We had to suspend all purchase orders. We had to suspend all recruitment of employees and try to keep the markets on-side which was difficult. At the same time, we had to withstand a number of audits of our \$2.2 billion estimate. The governments undertook to review them. The owners undertook to review them. We had to maintain the credibility of them. Fortunately, when the Winnipeg Agreement was signed which was February of 1975, our estimate stood up to all of the reviews. The thing that was an outfall was for those of in the project side we were committed. It would have been a disaster not just to us, but it would have been a disaster to the investors if we had not met that budget and the schedule. Fortunately, as the project evolved we were able to do that.

PMB: What was your role in helping meet that budget?

COLLYER: If you go back to 1974 when the Middle East crisis ended up with oil embargos, shortage of petroleum supplies worldwide. Internationally, companies looking to secure the capability to undertake projects. They were buying engineering capacity. They were buying shop capacity. Prices were escalating. It wasn't still enough to meet the demands that were being put out there. So, we had to the concept for how we were going to execute the project from a contract strategy point of view. Bechtel had been hired as a managing contracting, but given the circumstances we had to secure engineering capacity. So, we had to change the role of Bechtel to have a much more direct role in engineering and a much more direct role on construction. In so



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doing, this changed the relationship between Syncrude and Bechtel. We became much more involved in the management of the project in addition to the normal review and approval roles that owners played. We had to change the strategy also in the face of the demand for Canadian content which was high. Well, capabilities were moderate at best in Canada at that time. So, I became very involved with Bechtel. Fortunately, with a project manager I'd worked with on Redwater, we had a great relationship together. This idea of blending our two organizations in a somewhat non-traditional sense was accepted and proved to be very, very relevant to how the project went ahead and finally succeeded.

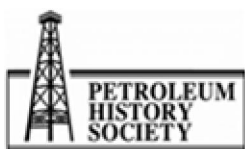
PMB: You started to explain that to me a little while ago about when I first arrived here, how that worked. Could you put that on camera for us, please? How did that relationship with the Redwater and the Syncrude project develop?

COLLYER: Bob Reinhardt who was the project manager on Redwater I worked with for several years. Some of his key people, I had similarly worked with and we had a great relationship and turned out a great project. But, you develop a personal relationship. You develop trust. I guess you also find out how your respective minds work. So, when Syncrude was awarded the initial project team that Bechtel could forward, we changed. I brought Bob Reinhardt plus others that I had worked with before. So, you have a trust and believe me that when the estimate went to \$2.2 billion. We were both in it. We were both totally involved in the reviews and the numbers which we presented to the owners which I had to do. So, there was a big personal commitment in when you look at how the project evolved in this relationship where we had a fair number of experienced people that I had brought to the project or hired to the project.

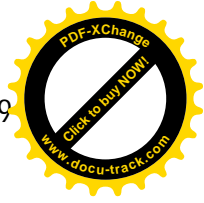
The working relationship, I hate to say we were bonded, but we were heavily committed. Everybody felt that commitment. We were able to do things. A good example would be the Edmonton Modular Construction Facility we put together. We gave that to Bechtel as a concept to counter some of the labour problems and shortages. They had not done that for a project like Syncrude or GCOS. What they had done were some of the international projects in Saudi Arabia and where you could do it and ship by roll on/roll off barge. But, they never tried to do this in an environment such as we were in. Well, we were able to get that concept accepted and implemented and obviously, it was ultimately successful. But, in the labour relations area and the contracting strategy, the monkey was on our back about Canadian content. We had to make that happen and they were terrific in terms of buying into it. So, we had a relationship that it was easy to work the strategies and the plans and the tactics, because we were all working to the same end. It was not an arm's length relationship between contractor and client which was us.

PMB: I know I'm jumping around a little bit. So, forgive me. But, in February, 1975, the Winnipeg Agreement, there were certain agreements that basically the Federal, Ontario and Alberta Governments made with the owners; the remaining owners. How did that resolve your problems? Can you explain that to me?

COLLYER: Well, it resolved the financial constraints. We were free to move.



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PMB: Part of that was that they were putting in money as loans or that was transferrable into equity and also building the power plant.

COLLYER: Well, building the power plant fell to us. But, the ownership was Alberta Power.

PMB: I am looking at this from the perspective of hindsight. Today, most of the oil sands plants are big manufacturers of electricity and they're exporting it out of the plants themselves. I'm wondering, was the technology that plants are using today, simply not available or not applicable?

COLLYER: In-situ is a whole different process than the mining operations.

PMB: I'm sorry. I thought that the mining operations today were exporting...

COLLYER: Well, to a degree the power plant that went into Syncrude, when there is a surge by the draglines for instance, there is power being taken to the mining operations as an example. But, when the plant capacity is not totally required for the operation, then there is an export power opportunity. I'm not familiar with the in-situ and what they're doing.

PMB: Okay, so the questions that I gave you a few days ago, one of the questions I asked and it should have been in a different place in this list was: when did you first learn about the oil sands? You mentioned that it was during a GCOS development?

COLLYER: There was a time that we were out here doing the Redwater project and before that the Judy Creek Gas Plant, so I was familiar. When we were in the construction, we were always competing for labour and obviously there was a lot in the press about it. To a degree, to a slight degree, Clem Bowman who worked for Imperial -- I was doing research work back in Sarnia and assisting out here. So, I wasn't unaware that he was involved, but I wasn't close to it all. I wasn't paying any attention to it.

PMB: Of course, Clem was with Imperial wasn't he?

COLLYER: Yes.

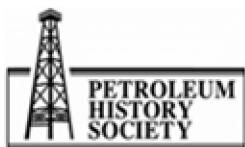
PMB: So, you would've known him through that connection?

COLLYER: I know him from Sarnia.

PMB: You would also have known Frank Spragins?

COLLYER: I knew Frank Spragins when I came out here in 1971. Before that I had nothing to do with him.

PMB: Now, he had been made the president of Syncrude. I forget. Was it back in the 60s at some point?



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COLLYER: Somewhere back there.

PMB: And, then he was appointed to be the president from Imperial. He had been at Imperial. Then, he maintained that job until the project was complete and then he died about six weeks or thereabouts after that project.

COLLYER: Well, Brent Scott came in about the same time I did in 1972. Frank was the president when the project really got going and Brent Scott took over as president of the company. Frank was chairman.

PMB: Which was basically a nominal thing by that time wasn't it, because he was quite ill?

COLLYER: Yeah, again I think Frank deserves a lot -- he's a visionary. He was very committed to the oil sands development. His big contribution was really keeping the project before the owners and the government in the years up to the "go decision". He played a very key role in that period.

PMB: What was his personality like?

COLLYER: Well, if you want me to choose characteristics, a grandfather of your kids.

PMB: He would be it?

COLLYER: He would be it; a fine, fine gentleman.

PMB: Good. I guess Clem Bowman he was also a very important player in those days. He's someone we've interviewed as you know.

COLLYER: Clem was and then later on with AOSTRA. When Brent and I came in which was really the start of the project phase if you want, instead of calling it the developing phase. Clem really had little contact with us. His efforts and his efforts with AOSTRA were totally separate from what we were doing.

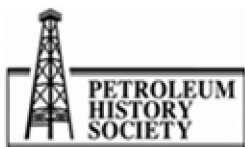
PMB: He had basically left Imperial and he was officially the chairman (I think it was) of AOSTRA?

COLLYER: I think that's right.

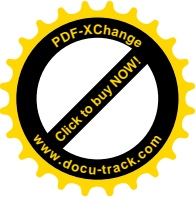
PMB: Now, a couple of the things that he did or that AOSTRA did, one of the most interesting was the Underground Test Facility. I believe it was Roger Butler and I think you told me that you knew Roger Butler?

COLLYER: Again, Roger was another of the people that were in Imperial's research in Sarnia. Not a close associate of mine.

PMB: He was in Sarnia? So, you would have even known him then?



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COLLYER: Yeah.

PMB: Any impressions of his personality or his achievements?

COLLYER: I didn't know him well enough to make a comment.

PMB: He died around 2005, didn't he? I think that's right?

COLLYER: I'm out of contact.

PMB: You probably know about his ideas about the development of SAGD, that he first tested that at Cold Lake in 1979, I think. That was after your time.

COLLYER: Well, it was just about the time of the wind-up of my career with Syncrude.

PMB: So, you don't remember a lot about it?

COLLYER: I wasn't involved. The whole Cold Lake project was a separate one.

PMB: I can't remember the date here, but Imperial at one point nominated you as their Syncrude Vice President for Projects?

COLLYER: Chief Engineer was what it was called. That was back after the Redwater project between 1969 and when I went to Syncrude in 1972.

PMB: I have you here as Syncrude VP Projects?

COLLYER: Well, that was after I left Imperial to come to Syncrude.

PMB: Okay, I understand. But, it wasn't a situation where you said, "I quit," and went to Syncrude.

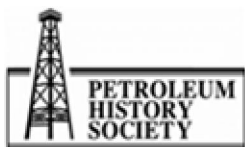
COLLYER: They nominated me to go in and take that role.

PMB: Now, you've talked about a lot about your main achievements, but you didn't say in your notes there that you'd resigned from Syncrude in January, 1981. Now, I would like to ask you if you don't mind talking about the impact of the National Energy Program, which was Halloween or was it October 30th, 1979? Or, was it 1980...

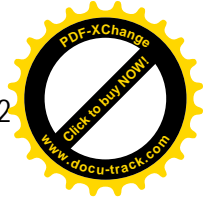
COLLYER: 1979, I think.

PMB: In 1979, that that was introduced and my recollection is that it caused chaos.

COLLYER: It did. In the oil industry, it really set the industry back and if you were in my shoes, I was interested in major projects. If you go back far enough, the original concept when the four owners, before the ARCO pullout was that there were multiple leases held by the different members



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of that four party group. Syncrude could potentially be the company that would develop those leases. That was attractive to me, because it meant there was a potential here to do more oil sands development. When the Winnipeg Agreement occurred and ARCO pulled out, then lease ownership never tracked with the subsequent ownership.

PMB: Explain that, please. I don't quite understand that.

COLLYER: Well, you can buy into a project, but you didn't necessarily get to hold the lease arrangement. So, now you're getting new players in and the leases still got held by the four companies. But, Syncrude, the equity players were not the same four. Then as far as Syncrude doing other lease development, that was water under the bridge. It would never happen. Plus, the attitude of the industry was pretty negative when that National Energy Policy came in. So, I was committed to see Syncrude through the successful start-up. But, I guess the market was pretty darn good for alternate career opportunities and I chose to leave because I wanted to pursue large project work. I was interested in the international side of that. Bechtel was an organization that I had an opportunity to join, where I knew the people, they knew me. I made the decision in 1981 to leave.

PMB: Let's just wrap up that idea, because that one is awfully interesting. So, because ARCO pulled out of the project, then all of a sudden they, in essence, took their leases with them. So, it was never really possible again to be able to develop huge, huge mining because their leases would have been in the mineable areas. So, there would never have been an opportunity to just develop under one group of partners a vast, vast oil sands mining project?

COLLYER: Yeah, or multiple projects on different leases. So, I'm sitting there 50 years of age and I'm looking at my career and what I want to do with it and I'm not prepared to wait around. So, the opportunities were there. The one I chose was Bechtel. It was not the only one that was available to me. But, the one I was very happy to take on.

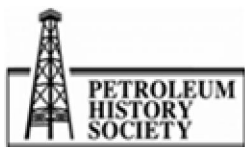
PMB: So, you joined Bechtel in 1981?

COLLYER: Correct.

PMB: Then what happened?

COLLYER: Initially, in Houston which was the base, but I got involved with the operations management. I got involved in setting up joint companies in the South Americas, specifically Venezuela. At that time, they were looking at the Orinoco sands. So, I was involved in the projects handled out of the headquarters for the petroleum side of Bechtel in Houston. But, it also involved a lot of international work. In 1985, I transferred to San Francisco and did a lot of work in setting up and working with joint companies in Indonesia and Malaysia; involved with work in Korea and the breaking into the Soviet Union when the wall came down, so Russia opened up it's... So, this was the kind of thing I wanted to be involved in.

PMB: Now, all of the work that you did with Bechtel was petroleum related?



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COLLYER: Petroleum or the petro-chemical. I was with the petroleum side of Bechtel, not the power and not the mining.

PMB: Now, let me ask you about Venezuela. Now, this was in...

COLLYER: The early 80s.

PMB: Early 80s. How developed were the Orinoco ultra heavy oil deposits?

COLLYER: Not very. Obviously, they had plenty of oil, conventional oil production, but the intent was to develop the Orinoco. They kind of went through a nationalistic phase, somewhat like Alberta did. We had to have joint companies. So, part of what I was doing was setting up the joint companies with Bechtel behind it, so that we could have a role in the Orinoco development. Well, anywhere in South America, the politics change and the environments change and after several years it became obvious that they were going to force the international companies out. So, we never did get involved with the heavy oil development.

PMB: You were not involved in that?

COLLYER: No. We were positioning to do that. I don't think there is that much that has gone on in the subsequent years either.

PMB: They are a fairly big exporter of...

COLLYER: Venezuela is a big exporter.

PMB: Even from the Orinoco Belt I think and it mostly goes to Houston, I believe.

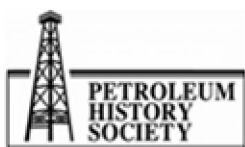
COLLYER: There is one refinery which I think Venezuela owns that processes that heavy oil.

PMB: When actually did the Venezuelans force the western oil companies out? Was it around 1990? I'm trying to remember?

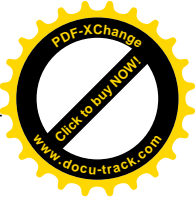
COLLYER: Before that. I mean I didn't have much contact after 1985. To a great degree, they've moved to nationalize the industry.

It would have been -- 20 odd years ago, takes you back to the early 90s. The pressures for doing business there were earlier than that.

PMB: In the questions that I sent you, I asked you basically why you left Syncrude and you said there were three things: 1) Implementation of National Energy Program, (2) changes in Syncrude ownership and (3) lease ownership not along with equity.



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People that really impressed you in your career and you have a really interesting list of people. You sent me this with your notes: Peter Lougheed, the former Premier; Brent Scott who was president of Syncrude and I guess he followed...

COLLYER: He succeeded Frank.

PMB: Frank Spragins. Bob Reinhardt, VP and project manager, you've mentioned him. Neil Crawford, was the Alberta Ministry of Labour. And, Tim Carter is the other one.

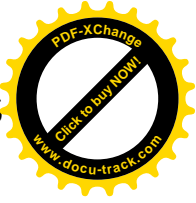
COLLYER: I mentioned him, because I was fortunate to be in a position where I had close relationships with the Department of Labour because of the implications of Syncrude to the labour market. Also, I was involved with the Construction Owners Association of Alberta. That was an association of users of construction services. We had a common desire for a competitive and productive construction industry. There were many things, as I mentioned the fragmented labour negotiations; many illegal work stoppages and so on. There were things that needed to be done to try and change the atmosphere and the climate that existed in Alberta. I was fortunate that I got a receptive ear from Neil Crawford and his deputy, Bob D'Esterre.

There were many initiatives the Construction Owners Association saw as issues to be dealt with. I had this easy access to the Department of Labour and support from the Minister of Labour and his Deputy and tremendous cooperation from a couple of the building trades union leaders. I had developed a climate with Syncrude that there was respect now, these agreements. But, we had open communications. We dealt with issues and so on. So, we were able to start working but the building trades had to be with the ACLRA that we'd talked about before and with government; to start addressing those problem areas in construction labour relations and collective bargaining. So, I credit him for creating the environment in which we could move to do these things. Not, that he was that involved, but he created the environment that allowed us to do it. The results were pretty effective. It also led to the task force on collective bargaining. I told you how fragmented -- and our whole objective to get collective bargaining coordinated so agreements would end at the same time. So, things like that were outgrowths. The Alberta Construction and Labour Relations Association which was a four party group that he sponsored, the only one in Canada that brought four factions together in an environment -- because, we were mutually dependent on each other. You may think of them adversarial but we're mutually dependent. To try to work for the benefit of everybody and the things that we were doing weren't for Syncrude. The things that we were doing were for the benefit of the construction in Alberta. So, I give him in a lot of credit and his successor, Les Young, we produced a document that took a lot of work. But, guidelines for planning and executing projects related to Construction and Labour Relations and collective bargaining that were road maps for the industry to use. So, things like that were important.

PMB: Now, the whole question of labour relations and labour peace, my recollection is and I'd like you to correct me of this, I'm probably wrong; my recollection is that somehow that was factored into the Winnipeg Agreement of 1975.



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COLLYER: Not to my knowledge, because we'd already been granted the permission to create the project agreement and it had been implemented.

PMB: So, that was an initiative of the Alberta Government?

COLLYER: Yeah.

PMB: My impression and again, from my years in the oil industry itself is that at least in the Calgary area, people who are in the corporate world there are no unions. And, as often as not, out in the field there were very few unions. I'm talking about conventional oil and gas production.

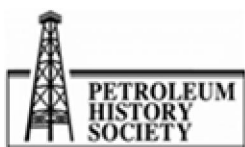
COLLYER: I think there was a tendency for oil field support services to be largely open shop, non-union. The big projects back in the 70s and the 80s virtually had to be union. That is where the supply skilled trades were. Progressively, there has been a move to create larger open shop companies. They were frequently there even in the 70s and 80s in civil type commercial construction, but not in industrial and it's a mix today depending on the size. If you've got a small project, you can certainly do it open shop and if it's a large project, you probably have to do it with union labour. But, I would say the one big thing that was a success for Syncrude, we had 8,000 people in a camp on-site at the time we started to introduce the first operating people. The level of cooperation, because Syncrude was going to be non-union, the operating staff. The fact that we had built relationships with the billing trades had trust, lived by our agreements and responded to issues. We had no labour disruptions, intimidation of consequence at all in that whole transition of moving from 8,000 construction people to 3500 operating people, non-union. I think that was outstanding.

PMB: So, my understanding from what you've said. I understand about the lack of conflict, that Syncrude was actually a non-union shop?

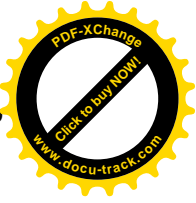
COLLYER: Syncrude is non-union. It was part of what I credit Brent Scott with one of the contributions he made was his commitment to a team concept. When I've talked to you before about diversity of people, the employees coming into Syncrude were some union, some non-union in their past. They were coming into new environment and team concept means a great commitment to deal openly with your employees, listen to them, you don't have to give them everything under the sun. But, there has to be an environment brings people together, the team concept was what did it. Notwithstanding when I was with Syncrude, to organize union attempts to unionize Syncrude and they failed.

PMB: I interviewed some people up in Fort McMurray at Suncor and I asked them very specific questions about the strike of 1985. You know you talk about the opposite experience. There was no trust. It was just a bloody mess.

COLLYER: That's right.



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PMB: It was an awful thing. I think they've moved more to this concept now. After they finally resolved it, according to them and these were union guys. The management really moved toward building a coherent team of people. They all said that there no exceptions.

COLLYER: If you're going to minimize turnover which is a costly thing, particularly in a geographic location like Fort McMurray, you've got to be prepared to create an environment with your employees that they perceive to be positive.

PMB: Now, you mentioned among the people that you really respected: Bob Reinhardt and Neil Crawford. Are you in contact with them?

COLLYER: Bob Reinhardt is deceased. I think Neil Crawford is maybe deceased too.

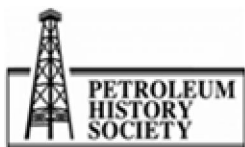
PMB: So, that's not doable. The other thing I suppose I need to do to sign this off, is to thank you for the excellent little history of the oil sands that you've donated to this project. I've already given a PDF copy of it to the Glenbow Archives.

COLLYER: I'm glad it's of some value.

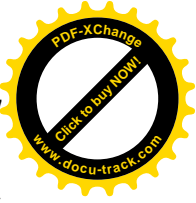
PMB: Is there anything else that you would like to say?

COLLYER: No. I think Syncrude was an unbelievable experience to be involved with Syncrude. For what it was at the time, I think I look back to the faith that the investors had and us able to deliver. And, I take pride out of the fact that we did deliver. I think that some of the things that have happened with Syncrude since, there has been technology development in a number of ways; some of it practical, some of it theoretical. The hydro-transport was a big thing developed by research work that they've done; with developing the larger mine trucks which is a big thing from the mining side of advancing technology and working with suppliers to do that. But, there are a couple of other things that I give a lot of respect to Syncrude. The fluid cokers, the biggest in the world and run lengths of a year are par for the course. They've been able to get two-year run lengths consistently out of that equipment. That's fantastic in terms of not only bringing cost down, but having the equipment available so the production levels are higher. Not that the efficiency or the process is higher, but their extended service, huge. The other thing is, on the mining side getting the cost of material movement down. The tremendous volumes of both overburden and ore that you're moving, big contributors to cost reduction on the mining side; but the other side was that well, refining equipment had operating efficiencies of 98% and so on. Extraction recovery was down around 83%. They've got it now, I don't know where it is, but I know it's succeeded 90%. So, these have been gains that have come through with the operating organization at Syncrude which I think is tremendous. It is where the potential always was that you could get more efficient production as you got experience and they've proven that.

PMB: Now, it's my understanding that there has been a lab at Syncrude really, ever since the idea became a serious notion. And, that scientific and engineering research has always been a part of the package.



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COLLYER: It's where it started back in the 60s and it's been ongoing. I think the image that a lot of the world seems to have in the press and continue to portray, you've got a tailings pond that kills all the ducks and you've got a stack that poisons the world. There have been tremendous improvements in emissions, in land recovery when you look at the reclaimed land. And, in-situ is another step that goes a long way to not disrupting the countryside like mining does. But, when you look at what the land looks like after reclamation and there is lots of evidence of that. No credit is being given to that, but it should be because they are honouring all the obligations that they committed to back in the 70s when the project was underway.

PMB: Even to the point of reintroducing the Wood Buffalo.

COLLYER: Including that.

PMB: It's a really cool thing. My last question and you can give me a very brief answer to this. My first trip up to Syncrude was in 1978 just when it opened and somebody told me at that time that if you take out a cubic metre of oil sand you separate away the oil, you take it off and upgrade it you end up with more sand after you take out the bitumen than when you started by volume.

COLLYER: By volume.

PMB: That is true?

COLLYER: Yes, that is true.

PMB: Can you explain that to me? Somebody was telling me two weeks ago that that couldn't possibly be true and she was a very knowledgeable woman.

COLLYER: Well, I don't profess to have an answer to that. But, my first response would be that if you have highly compressed volume of a cubic metre, you take the oil out and the sand now becomes loose like beach sand. So, it's not compressed anymore, it...

PMB: That was pretty much what I understood.

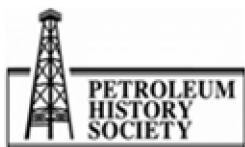
COLLYER: Yes.

PMB: Well, thank you for very, very much for everything. Last chance, anything you want to say?

COLLYER: No.

PMB: You've been great.

[END OF RECORDING]



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