



WILLIAM JOHN (BILL) MOONEY

Date and place of birth (if available): 27/2/1929; Regina, Sask.

Date and place of interview: June 6, 2011; Bill Mooney's residence, 1302 801 2 Ave. S.W., Calgary

Name of interviewer: Peter McKenzie-Brown

Name of videographer: N/A

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

Consent form signed: Yes X

Initials of Interviewer: PMB

Last name of subject: MOONEY

PMB: So Bill, I want to start with these basic questions, if you could tell me a little bit about your career, starting with when you graduated, well, graduated from, I think geology in 1952 was it?

MOONEY: Now I came here in '52 from Notre Dame with a second year... liberal arts course at Notre Dame and I got a job with Core Laboratories, and went to work for them for two and a half years, working all over Saskatchewan, Alberta and even did some work in Northern Colorado but I was married in the interim and had our first child and I approached Colorado College about a scholarship and they were willing to give me a football scholarship because I felt that if I was going to continue in the oil patch, I had to have a piece of paper, so in '54 I went back to school at Colorado College and graduated with a bachelor of science in geology and joined Cities Service in February of '57 in Amarillo, Texas, they shipped me back up here to Canada to work in the Calgary office, started off in Edmonton but ended up a couple months later in the Calgary office.

PMB: And you started with the Cities Service when?

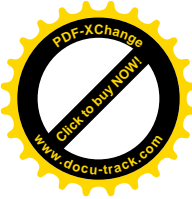
MOONEY: February, 1957.

PMB: Oh so you were there right from the beginning with Cities Service became involved with experimenting in the oil sands?

MOONEY: Pretty well, they had done some work before, Bob Sellers, our chairman had come up here and done some very secretive work on the oil sands over on 9th Avenue, I think when we had the bitumen plant, working up in the oil sands but I was a rookie in 1957 and it wasn't until I became assistant general manager that they got me a little more involved in the oil sands. We were more exploration production, there was an oil sands group but it was operating out of New York City.



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PMB: And the bitumen plant in the late 50's or in the 1950's was kind of an experimentation center for the oil sands. It was a Cities Service operation and they had a guy up there for a number of years working bitumen.

PMB: Now you joined Cities Service in 1950...

MOONEY: 1957.

PMB: 7, and in what capacity, what were you doing there?

MOONEY: I was just a geologist and I moved to Chief Geologist, Exploration Manager, Vice President, Executive Vice President, Assistant General Manager under Barron Housel, and then when Barron left, he was a great individual by the way, I became, took over his job as the manager and a year later, they made me the first President of Canada Cities Service.

PMB: Canada?

MOONEY: Canada.

PMB: And what year was that?

MOONEY: That would have been in roughly...1975.

PMB: You mentioned that you worked for a Barron Housel?

MOONEY: B-A-R-R-O-N H-O-U-S-E-L.

PMB: E-R?

MOONEY: E-L.

PMB: E-L.

MOONEY: Housel.

PMB: Housel, okay, thank you very much. We're going to be talking about your work with the Winnipeg project in 1975, the Winnipeg Agreement and you left, I think you told me that you left Cities Service in 1980...

MOONEY: 80.

PMB: What was the reason for that?

MOONEY: Well, it's sort of a long story. They had moved me from here as President to London, England as the President of Europe, Africa and the Middle East and they decided to... and I had an office both in Houston and in London, and they decided that I should move to Houston, they wanted to keep a little more control on me I think because I had, had a pretty free hand the last years with Cities in Calgary, we'd done very well, but the people that I was involved with at Cities at



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the time were not, to me, very big thinkers on behalf of the Cities Service company and, so anyway, they moved me down there to keep me controlled.

PMB: And you weren't game for that. Did you actually spend some time in Houston?

MOONEY: I spent a year, and then I had job offers by three different companies because I was sort of out looking around and decided to go with the Hill family in Harvard, which ended up as Harvard International.

PMB: When I first met you, you were the President of Harvard...I think it was called Harvard Resources?

MOONEY: Yes, Ltd.

PMB: And how long were you there?

MOONEY: I was there from '80 to about '89.

PMB: And Harvard Resources was not involved in the oil sands in any way, was it?

MOONEY: No they weren't, that was a...when it ended up Harvard International, it was ownership one-third by the Hill family out of Regina and two-thirds by Neil Blue who was out of Denver and San Diego and the thing that we did there was that we purchased the assets that were left for Tenneco. So we roughly purchased about a third of what they're...but mostly all producing.

PMB: Do you remember what you paid?

MOONEY: Ah, not very much.

PMB: How many barrels a day was it?

MOONEY: I don't know but I know the cash flow was about \$66 million a year.

PMB: Anything that you want to talk about from that period forward because you haven't been involved in the oil sands since you left Cities have you?

MOONEY: No, we got to be disagreeing on ownership because I had been promised an interest but they didn't deliver.

PMB: In Harvard.

MOONEY: Yep. So I left them and was hired by Pacific Gas Transmission to work for Alberta and Southern Alberta Natural Gas and 50% for Pacific Gas Transmission building a line from here to Southern California, an expansion line.

PMB: I remember that, yeah.

MOONEY: So I did all the government senior executive work for them on that and dealt with the



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regulators, which is the National Energy Board and ERCB, etc.

PMB: Great. What about the regulators on the other side of the border?

MOONEY: I went in and went to FERC the odd time and dealt with them, but it was purely on a basis of telling them a story...plus the California Regulatory Commission.

PMB: [FERC: Federal Energy Regulatory Commission, in the United States.]

MOONEY: I had some meetings with them but it was purely sales type selling...

PMB: What were your main involvements in the oil sands over the years?

MOONEY: Well the big one was of course with Cities because, when Cities signed their agreement they had two members on the Syncrude board of directors were Cities' members: Richmond Galbreath, who was out Tulsa and myself, who was located here in Calgary and we went up and signed the agreement to build that plant and of course, the history on that is the fact that Cities had applied earlier, roughly the same time as Great Canadian had and Mr. Manning selected Great Canadian to have the first run at producing product out of the oil sands and Cities was turned down, actually, we were very disappointed but in the long term, we were very happy because a number of the things that Great Canadian did we found out were not working very well for them and they were having a real problem making a profit because they weren't producing enough oil so Cities made their application later with the Syncrude group to build a plant which we're talking about here, to produce 125,000 barrels of oil a day, plus we went from having draglines to having big buckets and that was a...and then conveyer belts to bring the product in is what we...

PMB: To put that in context, I think the Suncor, or the Great Canadian Oil Sands Project, it's now called the Suncor plant, was for 50,000 barrels per day, if I'm not mistaken and the Syncrude project was for 125,000 barrels...

MOONEY: 125, Yes.

PMB: 125,000 barrels a day. Suncor built its plant for a fairly small amount of money...was it \$60 million dollars or...

MOONEY: Yes, Yes.

PMB: That's a fairly small amount and yet even at the beginning, Syncrude was expected to be how much money?

MOONEY: About \$900 million.

PMB: But then in the late 70's and early 80's...

MOONEY: '74.

PMB: What happened?



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MOONEY: '74 the escalation and the cost of the plant doubled from \$900 to roughly \$2 billion and Atlantic Richfield of course was involved, Imperial, Gulf and Cities Service and Atlantic Richfield had their discovery at Prudhoe Bay, and a number of other projects and then all of sudden in December of '74, they sent a telegram to each of the partners that as at the end of the month they would not be paying an more bills on Syncrude and they were leaving and so it was a decision that had to be made by the other three whether they continue or whether they shut it down and, in Cities ' case they talked about it, they put Terry Allen in charge of the shut-down group and then they had another group of which was the chief executive officers who were the go-team and they decided that they would try to bring other commercial partners out of the industry and that was with Mr. Armstrong of Imperial who was the President/Chief Executive Officer and McAfee, president of Gulf and...

PMB: That's Jerry McAfee.

MOONEY: Jerry McAfee.

PMB: M-C, capital A-F-E-E.

MOONEY: Yes and Bob Sellers who was the chairman of the Cities Service company out of Tulsa in those days. They each had a representative with them, Jerry Cogan of Imperial was the representative on the Syncrude board and management committee, Floyd Aaring of Gulf and Richmond Galbreath of Cities Service who was also the manager of the management.

PMB: And his last name is spelled: G-A-L-B-R-E-A-T-H.

MOONEY: Right.

PMB: Is that correct?

MOONEY: Yes. And it was their job to try and bring the commercial members of the oil industry in and they couldn't find any and I think it was the week prior to the end of the month, around, what was it, the first of January, anyway, they had a meeting with the press on TV of the three principals, plus I think Mr. Galbreath was there instead of Mr. Sellers to tell the government they were not threatening that they were going to shut it down they were just trying to find commercial partners and as a result of their exploration in finding commercial partners, they couldn't find any and they made the decision, either Mr. Galbreath or Mr. Sellers that they might, should maybe get the governments in and I remember I was phoned in the Horizon Club in Denver that Mr. Galbreath called and he said he had just talked to Mr. Sellers and that I was to forget about the exploration production here, run it on the side, but I had to be involved in trying to get government people in.

PMB: So at that time you were an Executive Vice President of Canada Cities Service...

MOONEY: Yes.

PMB: ...running the operations in Canada...



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MOONEY: Right.

PMB: ...but you were told to make that a secondary issue and to focus on getting the oil sands projects...

MOONEY: Yes.

PMB: ...going if you could.

MOONEY: Attempt to get the governments into it.

PMB: Now what percentage did Cities Service have?

MOONEY: Cities had 30% at that time, and Imperial was 30, Atlantic Richfield was 30, Cities was 30 and Gulf was 10, because they acquired their interest from Royalite.

PMB: Okay, and so when Atlantic Richfield all of a sudden pulled out there's a 30% hole in the whole project and at the same time the costs had exploded.

MOONEY: Pardon?

PMB: The costs had exploded.

MOONEY: Yes, it had.

PMB: And somebody pulled out 30% of the payments.

MOONEY: Yes, I was trying to look up, sorry I was trying to look up the date that they called...

PMB: Would you like me to pause this?

MOONEY: ... here it is right here, January the 17th was when I was called in the Horizon room by Galbreath to try and get the governments in, of course, that was a bad time because the two governments were not speaking, Mr. Getty and Mr. Macdonald, the feds and the province were very perturbed on some of the actions by the federal government so I came home that Friday night and the next morning I got on the phone to Bill Hopper and Don Getty and Bill Hopper was policy for the EMR in Ottawa, which was the Energy, Mines and Resources and close touch with Macdonald but I wanted to see what Hopper thought about it.

PMB: Bill Hopper was essentially a bureaucrat at that time, wasn't he?

MOONEY: Pardon?

PMB: He was essentially a bureaucrat.

MOONEY: Yes he was, he was policy under Energy, Mines and Resources in Ottawa and I knew Bill quite well but I also knew Donald Macdonald.



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PMB: Donald Macdonald was the Energy Minister.

MOONEY: Yes he was.

PMB: Was it called energy then or resources or...

MOONEY: EMR.

PMB: Energy, Mines and Resources.

MOONEY: And I finally called Macdonald and I tried to tell him what we were doing and that we were going to try to get the governments in and there was interest on both side by Alberta and by the Federal Government that they should try to keep Syncrude going with no mention of them investing in it, that was going to work up down the line and there were people that I was representing, sectors of that group, Aaring, Galbreath and Cogan, plus McAfee in that group and I would try to set up the meetings but I had to call each about three or four times so I could get them together, Don Macdonald and Getty talking together.

PMB: Don Getty was Alberta's Energy Minister at the time.

MOONEY: Yes he was, or he may have been Energy...no, I think that was later that he was in the governments...but it was one or the other, I think he was in the government because I think that Bill Dickie was then the Minister of Resources.

PMB: Okay, thank you very much.

MOONEY: So anyway finally, I couldn't get a spot for them to meet because I wanted them to meet face-to-face and Don Macdonald said that he was agreeable to fly to Edmonton to meet Don Getty in the airport, whether that meeting ever took place, I don't know.

PMB: I'm sorry what was going to happen, Don Getty and Donald Macdonald were going to meet somewhere in the airport?

MOONEY: Just to talk about Syncrude and see how important it was to Canada that they continue on because I think they both had great interest in and felt that it was a step ahead, they only had the Great Canadian and anything they would add to that would be very good.

PMB: Okay.

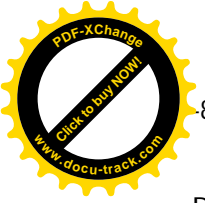
MOONEY: Now whether they had that meeting or just talked on the phone, I don't know.

PMB: Okay now remind me why Alberta and the Federal Government, were really, why the relations were so bad at that time.

MOONEY: I'm trying to think, I know it wasn't the National Energy Clause because that was 1980...



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PMB: It was because of the price of oil, the restrictions on oil prices and...

MOONEY: Yes.

PMB: ...one price for domestic...

MOONEY: Oh the other thing was I think about the tax on oil going to the U.S., they put a tax on oil.

PMB: On oil that was being exported.

MOONEY: Yes.

PMB: And they put a cap on domestic oil prices.

MOONEY: Yes.

PMB: So the Canadians got to buy their oil more cheaply and then I think exports were taxed and that money was used to subsidize the price of oil coming to eastern Canada.

MOONEY: Yes.

PMB: So I believe it was something like that.

MOONEY: Yes, I think it was...that's what it was.

PMB: And Alberta's position was that, Peter Lougheed's position is that we own the resources, you don't have a right to tax it.

MOONEY: Well I know what the mistake was, that the Federal Government, because I appeared in front of the National Energy Board, because the Federal Government was giving me export licence to the Northern Tier Refiners, so they could pick up the oil at a certain price whereas they should've given the export licence to the producers because they would sell it across the border at a higher price and the price in the Chicago market was much lower for Canadian crude than it was for offshore crude.

PMB: Okay, but the Canadian government set the price of oil exports, didn't they?

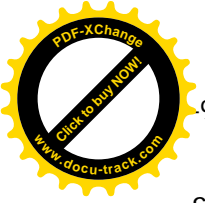
MOONEY: Yes.

PMB: Yeah. Okay, so we had this very toxic environment in which Alberta and Ottawa aren't really talking to each and you had this awful situation that was developing for Syncrude, which everybody in the oil industry really wanted to go ahead. How did you deal with that, what happened next, can you tell us what are the steps leading up to the Winnipeg Agreement?

MOONEY: We went down to meet Galbreath in Toronto and he was going to fly up there on Monday and wanted me to meet him, so I came in on Sunday and he came in on Sunday also and we went to see Jerry Cogen, who was VP Imperial Oil on the management committee of



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Syncrude and Imperial Oil and we walked into his office and he said, what are you two guys doing back here. I said, or Galbreath said to him, well Jerry there's a no-go team and there's a go team and you're on the go-team. [laughs]. So we were told to come and meet you.

PMB: Sorry, who were you meeting?

MOONEY: Jerry Cogan.

PMB: Okay.

MOONEY: Imperial Oil.

PMB: Okay, and with...Imperial, okay. And that's spelled C-O-G-A-N.

MOONEY: Yes. And what we were supposed to do was get the governments involved and try to sell to them so I made a call up to Ottawa to Tommy Shoyama, who was the Deputy Minister EMR and talked to him a little about...

PMB: That's Shoyama, S-H-O-Y-A-M-A, is that correct?

MOONEY: Right. Very astute individual, I really liked Tom, very capable guy and I think did a very great job but anyway, we were to tell them we weren't threatening again, this was something that they thought we were going to walk away with and so I met with Cogan about a day later with McAfee, Sellers and Armstrong and I was able to convince Tom Shoyama to come down to Toronto to meet with a couple of those people and the management committee and we could sort of sell them the ideas of why they should be involved in the tar sands, now that part of it I had nothing to do with that, I purely got the people down but in the interim I was told and I should use that, my reference here because I forget, I want to make sure I've got this sequence, but it was on January the 20th we had Mr. Shoyama, Ernie Oustriker and Gerry Trushak of EMR down and then that day, January 21st the three individuals said to me, Mooney, we better get to Macdonald because he's still talking like we're threatening, so I said well I'll go see him, so I flew from Toronto to Ottawa and I remember that was on Thursday because I walked right into his office and Annette Leger, his assistant said, well you aren't going to see him Bill because he's in caucus and then they have cabinet and he'll be busy all day. I said well he's going walk back in here to pick up his stuff for cabinet so I might catch them.

So anyway, I tell this story but he had a day-timer, extra day-timer, a guy came in and delivered it, who I know and Annette said he doesn't two of these, here Bill take one, so anyway, I took the book and Don MacDonald came walking and I said I need to meet with you and he said okay, I've got to go to cabinet, come on in. So I went in and we talked and he said, Bill I'm going to tell you Syncrude is very important to Canada and we're going to give you world price, no proration and we'll give you a tax deal and he said I'm willing, the federal government is willing to burn up \$300 to \$400 million dollars to make this work and he said if you say a word outside of this meeting I'll call you a goddamn liar, but get out there and get it done.

I said that's wonderful Don and by the way would you sign my book and he picked the book up and signed, Bill Mooney, that great supporter of the national oil policy, signed Don Macdonald and I



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said oh Christ, I'll get killed out west but thanks for the book and I walked out of there and flew back to Toronto that day.

The next day, the next morning we flew out of there for a meeting in Edmonton which was, I believe, Friday and we had a meeting with Getty, Don Getty who was then Minister of Intergovernmental Affairs, Bill Dickie and I believe Chip Collins was in there for a little bit and we talked over whether they would be interested in taking up an equity position but they said they would consider it, I believe, and I don't think we, we ever got really an answer out of them at that time, but they were interested in making Syncrude go ahead and I remember at the end of the meeting by the way, I showed my day-timer to Getty and he said can I sign it, I said sure, so he put down on the bottom, to Bill Mooney, anybody who can understand the national oil policy is a genius, signed Donald R. Getty and I have it framed somewhere, anyway that was the thing that we had to do was to get those people interested and involved and I thought we were able to do that, then...

PMB: Now Bill, before you continue with this discussion, what kinds of, what were the reasons that Donald Macdonald and the others spoke to, why were they, why did they want Syncrude to proceed?

MOONEY: Well because they thought it was a step ahead of what had been happening at Great Canadian and they thought that if another group came in with a different technology and I believe there was some of that involved, in the way Syncrude handled because they had a lot of expertise in heavy oils in the U.S. and plus Imperial had fluid cokers that were up great abilities to get the, separate the two of them and this would be a step ahead.

PMB: So technologically it would be...

MOONEY: See Canada at that time, and this was the whole thing, the attitude changed is that Canada had depend on imports to satisfy their energy needs on a daily basis and they felt that if they could stimulate the oil sands where there was huge reserves, this would generate down the line if we keep progressing, it would satisfy the needs of Canadian and we'd be self-reliant, which we've been for a number of years.

PMB: So self-sufficiency was a big goal then?

MOONEY: Pardon?

PMB: Self-sufficiency in oil was the big goal then.

MOONEY: Yes.

PMB: Did you use any of the arguments about economic stimulus?

MOONEY: I didn't, no.

PMB: But that was probably one of their considerations or not?



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MOONEY: I'm sure it was.

PMB: Okay and so now you've reached I think January 25th in your notes....

MOONEY: We flew Toronto to Calgary, the 25th, 26th, Calgary, we had to leave the next day back to Toronto and we had a meeting with Macdonald and Chrétien somewhere and...

PMB: Now Jean Chrétien at that time was...what was his job? Don MacDonald was...

MOONEY: EMR, Energy, Mines and Resources.

PMB: EMR and Jean Chrétien was what?

MOONEY: Was Treasury Board and he controlled the purse strings and anyway on the 27th I called Macdonald, we would meet at 5:30 on Wednesday with a group of CEO's and feds to further continue and I'd set these things up but then I'd generally would stand around in the back and wait for them to put down the economics of the thing or any talk that they want to do. And I just wanted to see here... we, do you want me to go through this step-by-step?

PMB: Best not to go through the notes.

MOONEY: Pardon?

PMB: Please don't go through the notes, just remind me as best you can remember, these notes will be in the file.

MOONEY: Oh okay, Yes. Well we had to, on that meeting we had to load, Don Getty asked for ammunition Tuesday for his cabinet meeting so he could get the cabinet to vote for them in favour to look at taking an equity position and then, as I say, December, January 27th, we had a meeting and then Getty was looking forward to meeting with Macdonald and Chrétien on this thing and the trouble turning the energy commission around and, we called Macdonald to meet at 5:30 Wednesday which would have been the 29th with the CEO's and he agreed to do that and they had the meeting, I believe in Toronto and then we had Macdonald and Tom Shomoya and Tom Trushak and McNicholas and then we, that night, we left for Edmonton to talk to Peter Lougheed and I met with Getty that day and said we had a great meeting with the feds and also that Shell was interested in an equity position of \$400-500 million and that they would be interested in going to the meeting which added action to it. We also, at this time, let me see when we went down and had the meeting with Ontario...

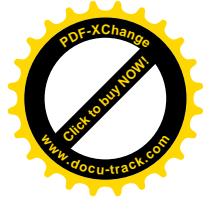
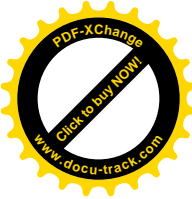
PMB: Without referring to your notes how did you bring Bill Davis and the Ontario Government onside?

MOONEY: Well, we went down and had a meeting with (Finance Minister) Darcy McKeough, Dennis Timbrell and Kearns, Tom Kearns and Peter Lamb.

PMB: Kearns is spelled?



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MOONEY: K-E-A-R-N-S.

PMB: K-E-A-R-N-S. Okay.

MOONEY: Yes, he was Eric Kerns' son and he's around today. Anyway we had a private meeting with them and told them that we thought we needed another equity partner and then of course the benefits from Syncrude would end up in Ontario and somehow just had Galbreath and Hay with them and Galbreath went through the economics of the thing and how it looked and they became interested and they passed it on to Mr. Davis who was then the Premier of Ontario, so they said about two days later that they were interested in participating in the Winnipeg meeting. So our group of seven had our last meeting of the group on a Friday night, at 480 Bloor Street in Ottawa which was where the Department of Energy, Mines and Resources and we Mr. Macdonald, Mr. Shoyama, Bill Hopper and the whole group there from the federal government and they had been talking back and forth with both Alberta and Ontario and I had been talking with them to see what their schedule was and prior to that week.

I had phoned Gordon Hutchinson at the Intercontinental Hotel and said I need to reserve 30 rooms for people coming in and Mr. Macdonald, Don said to me, okay we're willing to go where's the meeting and I said Winnipeg, they said Winnipeg, why Winnipeg, and I said because Mr. Lougheed has to speak at a meeting in Edmonton on that evening and I said, Mr. Chrétien has to speak here in Ottawa on that evening and the only way they can both get there is for us to meet in between and I said, I've reserved all the rooms, so I said I would hope that we could meet there at 9:30 on Monday morning and Mr. Macdonald agreed and it was go and I phoned Mr. Getty and the Ontario Government and indicated the meeting was go from 9:30 on Monday morning.

PMB: And that was Monday, what date?

MOONEY: February, I think it was February 3rd.

PMB: Of 1975?

MOONEY: 1975.

PMB: Okay. Okay, now when you go over the events of that day, was it a one-day or a two-day meeting?

MOONEY: Pardon?...

I had hoped we would get it done for one day, we started out at 9:30, we had the set-up around table, I went down early in the morning and they had a long narrow table and I told the hotel I don't want a long, narrow table, I want a square table where they're looking each other in the face, so they're facing each other, we have three government, we had, for Alberta we had Mr. Lougheed, Mr. Getty, Mr. Leitch and Chip Collins and Bill Dickie and, for Federal Government we had Jean Chrétien, Honourable Donald Macdonald and I believe, Tommy Shoyama and Terry Truschak, for Toronto we had Bill Davis, Darcy McKough, Dennis Timbrell and Dick Dillon who was the, those, Timbrell was the Minister of Energy and Darcy was the finance I believe and Dick Dillon was the Deputy Minister of Energy, sitting next to them were there Shell group with Bill Daniels who had an



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interest in laying their proposal out to the group, on the fourth side we had the three chairman, Jerry McAfee of Gulf, Armstrong of Imperial Oil and Sellers of Cities Service, plus right beside them were their three reps, Galbreath is Cities , Aaring of Gulf and Cogan of Imperial. We started at 9:30.

PMB: I thought I heard you say that you wanted to start at 9:30 in the morning.

MOONEY: 9:30 in the morning.

PMB: But I thought I heard you say just now 12:30.

MOONEY: No, 9:30 in the morning.

PMB: Okay, sorry.

MOONEY: I'm sorry, 9:30 in the morning, oh I was going to say around 12:30 was when we almost had a break because Mr. Lougheed wanted to tie in petrochemical plants with the Federal Government and Mr. Macdonald said that he could get the Prime Minister on the phone for him but that this was a separate deal and we want to keep them separate at which time, Bill Davis said, Mr. Mooney we need to caucus, so we stopped the meeting and three governments went out and caucused and I had a room for that and another room for the oil companies and then they came back in and they continued working on what the equity position of each of the people would be and that went on all afternoon and at 9:30 that night, full 12 hours, we had the deal sold, so we had the... they raised another roughly billion dollars, they got it up to 2 billion dollars and there was really nothing written on it and most of the participants the next day said we should have had some paper on this thing but anyway it took them two years, or a year and a half to put the whole agreement together after.

PMB: In the end the project was 2.3 billion wasn't it?

MOONEY: Yes it was because they added in...

PMB: A pipeline and a power plant.

MOONEY: Yes.

PMB: How did that work?

MOONEY: Pardon?

PMB: How did that work, what were the arrangements for the pipeline?

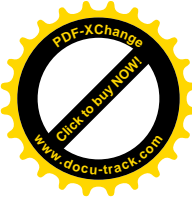
MOONEY: Well the pipeline was actually owned by, turned around that it was owned by Simmons.

PMB: Owned by whom?

MOONEY: The group, the Simmons Group. Dale Simmons ended up owning that pipeline. He operated the line for 25 years and then purchased it for \$1.



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PMB: Oh really?

MOONEY: He bought it for a dollar or something, somehow.

PMB: But, oh I didn't know that, that's very interesting. But that way that worked, there was a pipeline to be built from Syncrude, down to Edmonton and that was to transport the new production from Syncrude and I think the cost of that was \$300 million?

MOONEY: I think so, I think it was 200, I'm not sure.

PMB: \$200 million okay, so what you're telling me is that at some point somebody bought it for a dollar?

MOONEY: Yes.

PMB: That's amazing.

MOONEY: I think it was a dollar, I'm pretty sure, I'll have to...

PMB: Sounds like a bargain and I'm going to say this for future historians: follow that story, that's very interesting. Now can you tell me what, I believe you told me earlier on that Shell was only in this meeting with for an hour or so, can you tell me a little bit about that please?

MOONEY: Well, the Shell group was in it and of course they wanted to be involved, they didn't mind the price going to world price, but they wanted a base price, they didn't want oil sands going below a certain level, say \$5.00 or whatever they set on it and the governments reacted, they said, well you can't say I'll make all the benefits but I won't take any of the penalties so they would not agree to put anything of nature in the agreements that said you aren't going to get lower than this price for your product.

PMB: Do you remember what the price of oil was around that time?

MOONEY: No I sure don't.

PMB: So basically Shell was saying, we'll put in money but we want our risk reduced by government.

MOONEY: Pardon?

PMB: They wanted their risk reduced, the government will take the risk.

MOONEY: Yes, Yes.

PMB: Okay and so what happened; I think you told me they were there for an hour?

MOONEY: About an hour, an hour and a half.

PMB: And then they just walked?



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MOONEY: Bill walked out and we took him to meet the press and he just said we couldn't agree on what we were proposing so Shell is leaving the meeting.

PMB: Okay.

MOONEY: And that was basically it. And there was no announcement that went to press that night when we finished at 9:30 that was all hand-ruled the next day by each of the participants.

PMB: Okay, so tell me about the, that evening when you finished at 9:30 and then what, everybody went to bed and you got started the following morning?

MOONEY: Well we had... after the meeting I think we had a few drinks, we were all... but some of the people were probably ready to go home and I think probably Lougheed and the Alberta people flew home and I wouldn't be surprised if the feds did but I know we had a little meeting of Galbreath and the commercial participants just sitting around having supper, we were all pretty tired.

PMB: So it really was a one-day meeting?

MOONEY: Yes.

PMB: Okay, and then how did you conduct that meeting, how did things proceed? You told me you had a big flip chart.

MOONEY: Well they just started out and, I think the commercial partners stood up and put the money up as to how much they were going to participate in this and then how much they were short of the two billion dollars to make it go and so it was a matter of seeing who was a commercial partner, who it's going to be and I think the first one in of the governments was the federal government, which of course had a maximum they could to, which I didn't mention but they didn't say that they would put up \$300 million, then Alberta said they would come in for their share, I think which was...I forget what their share was now...

PMB: Well they got, the Federal Government I believe got 15%, is that correct?

MOONEY: Yes.

PMB: And so if they took \$300 million, Alberta would have had \$200 million and Ontario would have got 5%, would've had \$100 million.

MOONEY: Yes, they came in at a...they were talking 50 million when somebody said, you know this isn't a game, either you go a \$100 or... and I think they went \$100.

PMB: So suddenly there was \$600 million dollars of new equity in the project, was that enough? That was basically the amount that Atlantic Richfield would have put in.

MOONEY: Yes, well the thing was that Cities reduced their interest, Imperial increased their interest but Cities reducing their interest still put more money in that they had...



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PMB: Than they had originally budgeted for...

MOONEY: ...Yes, because of the increased price and then it got down to a point where government, Cities, I think Gulf and Cities, and I'm not sure on this made a loan from the Alberta Government to put another \$100 million and then they were short \$15 million and Bob Sellers wrote a note to McAfee and said if you put in 10, I'll put in 5, so they reached the \$2 billion.

PMB: Bill I'm going to stop this now unless there is something else you'd like to say.

MOONEY: Okay.

[END OF FIRST RECORDING]

[BEGINNING OF SECOND RECORDING]

MOONEY: ...would have been roughly in the 1990's.

PMB: I'm talking to Bill Mooney now and we're talking about, I thought I heard you talk about Getty's efforts to eliminate the last vestiges of the National Energy Program.

MOONEY: No, it was more that the economy had gone down so nobody was doing anything and Mr. Getty had five of us over at the Ranchman's Club for supper, including David Mitchell and Jim Gray and myself and I remember there were two others there but what he wanted was some of us to talk to people to see if we could get the Federal Government to put some funds in somewhere to stimulate a drilling within the Province and at the same time, or shortly after that, the small explorers group was doing a lot of work in that situation with Ottawa and of course, the Premier wanted us to do it and turned to me as I left and he said, I need another Syncrude deal. Anyway, we did the, tried to do some work on it and we knew that the thing was progressing because the CPA was also trying to do it, but I've got these dates downstairs but in talking to Myron Kanik, the Deputy Minister of which I did often, of Alberta.

PMB: Myron, how do you spell his last name, MYRON.

MOONEY: K-A-N-I-K.

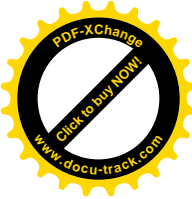
PMB: Okay.

MOONEY: But he was a great individual, a very good Deputy Minister, he and I were talking Saturday morning and he said, Bill did you see the results of what the Federal Government is going to give us to stimulate drilling within Alberta or within Western Canada, I said no, well he said they announced it this morning and I've got a copy of the telegram here and they're going to put out a \$180 million dollars and they're going to start it in April and they're going to end it in December and I said well Myron, that doesn't sound too smart to me because April is the time we shut down the drilling, that's break-up...

PMB: Spring break-up, yeah.



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MOONEY:...and then when we get to December, all of the north is frozen up and that's when we start to drill plus \$180 million will be gone in two days with people making applications against it. We discussed it a little further, and I said could you get me a copy of that, and he said I can fax it to you, we weren't doing email in those days, and I said fax it to the office when I'm around there so I went down there and phoned Don Mazankowski, who was then Deputy Prime Minister, was not involved in energy, and I talked to Don who was a good friend, and I said Mulroney government is not going to look very smart in this by churning out a \$180 million, by starting it in April and ending in December and he and I visited quite a bit on it and of course, he was not the Energy Minister, the Energy Minister was Marcel Masse, M-A-S-S-E, and Marcel was more interested in other things rather than energy, Mr. Mazankowski said can I call you back and this was as I said, Saturday he called me back and he said, I'm in Vegreville and you're in Calgary can you be in my office in Ottawa tomorrow afternoon at 3 o'clock, I said I can, you realize that it's Sunday Maz, he said can you be there, I said I will, I said I'd like to bring a fellow along with me whose name is David Scrim and David Scrim had worked in the EMR and had a financial background.

PMB: EMR is Energy, Mines and Resources.

MOONEY: Right. And he said okay bring Scrim along, and so we met in Maz's office at 3 and we were there until 7, and I told Mr. Mazankowski, I said Mr. Scrim is very good at numbers, his background is in energy and he speaks Ottawa-ese, and the reason we need that is that most of the people in our industry we have trouble communicating with Ottawa but I always used David as a player in this, so I told him that I thought the key people involved should be Kanik, I said it would be ideal if we brought Mazankowski also had finance at that time, that we bring someone in like Ian Bennett, so was then the Assistant Deputy Minister of Finance and Mr. Mazankowski informed me, we met for about 4 hours, and sort of moving this around and Maz felt that it was necessary to do this for Western Canada, he's been a very great Canadian, and particularly good for Western Canada as far as I'm concerned, but anyway he said, can you get to Michael Wilson, who's got the treasury and got funds in his hand and we need someone to get him.

PMB: And Michael Wilson was the Secretary of Finance at that time?

MOONEY: Minister of Finance.

PMB: Minister of Finance at that time, right.

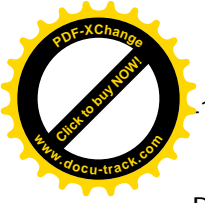
MOONEY: And so I was able to meet him in the House of Commons in the back room, I was able to get in through a friend of mine and he'd set up a meeting with Barbara Kulas.

PMB: How do you spell that?

MOONEY: K-U-L-A-S, I believe. She was Wilson's executive assistant, or private secretary and I dealt with her to tell her I was going to see Michael behind the Commons seats, which I'm not allowed, not supposed to be in there, but a friend got me in and we had that meeting and during that time, the other people and I don't know whether we ever got Biladeau, Deputy Minister of EMR, who was the then Deputy Minister, I think that was the fellow's name, out of Energy and but I also give the small explorers who are working down there to get something to it at that time, but anyway the CEDIP program as I should remember.



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PMB: And that's CEDIP.

MOONEY: Yes.

PMB: Canadian Exploration....what does that stand for? Canadian Exploration Development Incentive Program – that was it.

MOONEY: Yes. And anyway, it came out it was announced at \$360 billion...million, but in the end the Federal Government spent \$3-4 billion...

PMB: Billion, on stimulating the oil industry.

MOONEY: Yes, and that set things up for Mr. Klein when he came in, everything was...

PMB: I remember I was at the Canadian Petroleum Association at time and our argument to Energy Minister Marcel Masse was that the oil industry could be the engine of growth for the Canadian economy, so I think that was our contribution; we were part of those negotiations as well...

MOONEY: Yes.

PMB: To a small extent, I don't know actually what we did there. Anything else that we need to talk about in terms of CEDIP?

MOONEY: No.

PMB: Okay I'm going to turn this off.

[END OF RECORDING]



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