

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Peter Bawden

INTERVIEWER: Nadine Mackenzie

DATE: January 1985

Nadine: This is Nadine Mackenzie speaking. I am interviewing Mr. Peter Bawden. Mr. Bawden, thank you for having accepted to participate in our project. Can you tell me, when and where were you born.

Peter: Well, I was born in 1929 on January 1st. So I just celebrated my 56th birthday, the day before yesterday. I was born in Toronto, Ontario, and that's where I spent my early years.

Nadine: What did your father do?

Peter: My father was a lawyer by training but he spent his life in the securities business with Dominion Securities in Toronto and at one time he was the President of that firm in the early 1950's.

Nadine: Was your family originally from Canada?

Peter: Yes. My mother was from Toronto and my father was from a small town in southwestern Ontario called Ridgetown and his father, my grandfather was a druggist there. He had Bawdens Drugstore which was a prominent merchant in the town of Ridgetown.

#007 Nadine: And so you were educated in Toronto?

Peter: Yes, I went to public school there but in the late 1930's we moved to the country, out to an area called Victoria Square, southeast of Aurora or northeast of Richmond Hill and I went to a country school there which was called SS #4 Markham. And I spent about three years there before I attended high school in Richmond Hill.

Nadine: And after high school, what did you do?

Peter: Well, I really didn't have any post secondary education other than taking the last year of high school at a McGill University College called Dawson College. And I spend one year there which was supposedly a completion of high school but I decided during that year that I would end my school days. But I had the opportunity through being at that college to attend the university naval training activities which were available through McGill University at that time. So I had the opportunity in that summer, which was 1948, to be a part time sailor on the West Coast in the reserves and again the following summer I did the same thing, so I rather ended my academic career with two summers in the Navy. And in between that time I attended Shaw's Business College in Toronto where I took a course on bookkeeping and at the same time, or following that, traveled for a couple of months with a little motorcycle in Europe and in England. And I really finished the last of my academic links when I left the West Coast in early September or 1949 and traveled to Alberta to start a new career.

#030 Nadine: Why did you choose Alberta?

Peter: I had visited Alberta some four years earlier when I was a teenager with my brother and a couple of friends. We had traveled across Canada on the train and visited Edmonton and the West Coast. I had a special attraction, I liked the prairies, the flatness, the prairies seemed to have a special attraction for me. And so did Edmonton as the gateway to the north which had a lot of romance but of course a big mix at that time, because after all this was 1948 and '49. It was 1949 when I really arrived here but during 1948 when I was thinking about it was a rather prominent time for Alberta in the news as a result of the Leduc discovery in 1947. So oil played quite a part in my interest in the province but not specifically in the oil business but rather as a place that would have an active future.

#042 Nadine: What was your first job in Alberta?

Peter: Well, I arrived in Calgary I think, on September 6th, 1949. Spent a day here, watched the Edmonton, Calgary football game which was quite a wild affair in those days and went on to Edmonton. Spent a couple of days checking the want ads while I was a resident at the YMCA and couldn't see anything of particular interest to me. So I decided to contact half a dozen lumber yards because I felt that, since I had been very good on the farm as a carpenter, I used to raise mink and built hundreds of mink pens and all kinds of other inventions and things like that, I had a special attraction for lumber. The cleanness and just the smell of it and things like that. And so I talked to half a dozen lumber yards about the possibility of going to work and one of them offered me a job.

#053 Nadine: Did you work here in Calgary or was it outside Calgary?

Peter: No, I just passed through Calgary. But within three or four days of arriving in Edmonton I had a job at Hayward Lumber which was a family owned company that had a string of country yards around Alberta. And I had a boarding house with some people with whom I still keep in touch in Edmonton. So I was very quickly one of the employed in the province of Alberta after my arrival in September 1949.

Nadine: And how long did you keep this job for?

Peter: Well, when I started there, they put me in as the assistant to their country yard purchasing agent and it seemed that within a very short time, a couple of weeks, they'd shifted him to some other things. So I became the purchasing agent or at least playing a big role in the purchasing and quoting on orders for the north and the Arctic that were going through their Haywards yard in Waterways which was the gateway to the Arctic at that time. So I was in a clerical job doing a little bit of everything. But in late October or early November of 1949 the boss, Mr. Vern Hayward and said, how would you like to go up to the Peace River yard and help out. We've got some problems there and we need a helper. So with that I was dispatched and drove my Ford car to the town of Peace River and became the Assistant Manager, in a sense, of the Hayward yard in the town of Peace River.

#073 Nadine: How was Peace River at the time.

Peter: Well it was rather an interesting place. Of course, Peace River had been homesteaded in the early part of the century. But I think when I arrived there in the late '40's it was rather

the end of an era. The Hudson's Bay company still had boats operating on the Peace River to points down the river and to Fort Vermillion. The road hadn't arrived, at least there were no good roads to Fort Vermillion. So it was a bit of a frontier place, a big agricultural base. But because of the links with the Hudson's Bay Company and the river transportation, which left from the beach right behind the location of my lumber yard job, I saw a lot of what was really the end of the shipping on the Peace River which was the early means of transportation. But it was quite a civilized place, but there was a lot of activity there because the oil and gas industry had become prominent and in various directions from the town of Peace River there was quite a lot of seismograph and some drilling activity.

#087 Nadine: Did you become interested in the oil business then?

Peter: Well not very quickly. In the fall of 1949, a couple of months after I had arrived in Peace River, they had one or two managers quit and they were encountering problems and so at the end of that year, when I was traveling back to Toronto for Christmas, Mr. Hayward, my boss asked me if I would be the Manager of the yard. So when I arrived back very early in the year of 1950 I returned to Peace River as the Manager of the yard in Peace River. I had one full time and sometimes two full time employees and a few Indians that helped with the work. But I really had my hands full for the next three years, or almost three years as the new young Manager of that enterprise.

#099 Nadine: And after that, what did you do?

Peter: Well, one of the shortfalls in Peace River was the transportation our delivery system for the two lumber yards. So I started a company there in 1950 that I called Peace river Cartage, with the blessing of my boss in Edmonton. And so I shared the same telephone number but all the calls for deliveries and groceries and lumber and cement and a lot of oil field deliveries came in and so I think my employer, my boss was pleased because Hayward Lumber had a delivery service and I was pleased because I had a couple of trucks delivering groceries and lumber. A lot of it to oil camps, on the Mackenzie Highway to the north of Peace River as far as lower Hay River on Great Slave Lake. So in the course of the next several years, the Peace River Cartage trucks touched a lot of oil sights throughout the area and to the north. So it gave me a considerable touch with the oil industry because on many occasions, either at night or on weekends, I drove the trucks myself. So I visited a lot of oil sights and started to develop an interest in the oil business as a result. But I guess by the end of 1951 I was beginning to think there might be an opportunity in the oil business. And I guess one day I was discussing this with one of my drivers, his name was Bern Callow, I don't know how I happened to remember that one, but he said to me, why don't you buy an oil rig then if you want to have an involvement in the oil industry. Initially I was thinking in terms of exploration type of rigs, seismic or perhaps what was referred to slim hole drilling in those days. But as I advance my thinking, I decided I should be drilling for production rather than some kind of exploratory tools or seismic. So by the end of 1951 I had pretty well made up my mind that if I could finance it I should purchase a National T-32 which in those days was a 4 to

6,000 foot drilling rig.

#128 Nadine: Do you remember the name of people in the oil field that you met at the time or you knew?

Peter: Yes I remember a certain number and you mentioned to me Don McIvor who is now the Chairman of Imperial Oil. He was a geologist in Peace River at that time. I remember Don very well. ??? tape was turned off momentarily, I think ??? was there, Bruce subsequently started his own company but he's retired now. He was with Esso at that time. I guess in the town of Peace River, it's interesting to reflect, the Mann brothers were prominent, they had the grocery store, they were mayor of the town and president of the Kinsman Club and things like that. Peace River had about 2,000 people, so a great many of the people knew each other and as one of the managers of a local business, I was in the middle of everything, in spite of being 21 or 22 or 23, I was seemingly in the middle of all activities. I still see something of my old Peace River friends when I go back and visit occasionally but I'd have to sit back and think about the names of them. But particularly the oil people, there are several that are on the tip of my tongue but I have to think about it.

#147 Nadine: How did you go about buying your first oil rig?

Peter: Well, in those days, you could buy a National T-32 and that was probably the premium brand that could be acquired. You could buy, well the quotation that we had on our first National rig was \$135,000. In fact it was 125 but by the time we had it rigged up, we had run a little over budget and I think we were \$136,000. We had to make some last minute changes for the extra \$10,000. So it was not as formidable task as it would be today to purchase the same equipment. But I found some twenty investors, mainly in small amounts, 5, 10 or \$20,000, one that was somewhat larger and persuaded them to make a loan to the company in return for some cheap common stock and eventually in due course everybody received their money back and held some very cheap shares in a drilling company.

#163 Nadine: Where did you get it from?

Peter: The rig?

Nadine: Yes.

Peter: Well in those days, National manufactured all of their equipment but they had an important outlet in Edmonton and also in Calgary. And at that time there was a particular person in National supply who was very helpful to me. As a matter of fact I walked into National Supply en route to Toronto from Peace River just before Christmas in 1951, intending to make some very serious inquiries about equipment, although I was returning to Peace river, I had a day or two in Edmonton en route to Toronto. And I arrived at several supply companies the day of their Christmas party. When I went into Continental Emsco??? for instance, which was another prominent name in the business, they took a look at me and smiled and laughed and said, you know, come back maybe after Christmas. And I received somewhat the same answer at Cardwell Supply who was

another manufacturer and supplier. However when I got around to the National Supply Company, a young engineer by the name of Bob Borden took me in tow and broke away from the Christmas party and spent some time with me and gave me some advice and help and I returned to Edmonton very early in January and Bob Borden became a very good friend. He still is today. But he played a big part in the advising about equipment and a lot of other things about the oil and gas industry which I had very limited knowledge of. And I recall about that time when Bab Borden took me to the Edmonton Petroleum Club, which at that time was an old army barracks at the Edmonton Industrial Airport, it was the only airport then. But it was quite a rip-roaring place and I was quite impressed and wrote home about having been at the Edmonton Petroleum Club. In fact, another brand new experience for me was that they served giant shrimp and I hadn't up to that time, seen or heard of shrimp. As a country boy those weren't things that were on our menu.

#197 Nadine: And what did you do with this first rig?

Peter: Well, firstly since my experience in the field, in the drilling business was nil, I had to have. . . , it was very important for the credibility of the company and the operation of the equipment to have someone who was not only knowledgeable, but also with a very good reputation for operation of drilling rigs. So in the course of the spring of 1952 I acquired a partner you might say, a gentleman wh became a shareholder of the company. His name was George Bourque. He was with Royalite, had spent his career there. George Bourque at the time, was a somewhat older gentleman but highly regarded, a very fine man. And he took charge of the field operations, advised and in fact, played a key role in hiring the field people. And he located in Edmonton. We ran the field office out of his basement and I moved to Calgary and opened the Head Office here at 110A - 1 St. West which was upstairs from Farrows Drugstore at the time, which is was really across from the Palliser Hotel. And office space was at a real premium in those days, so if you were dealing with a bank and I was dealing with the CIBC, one of the first favours that they could do for new arrivals was to help you find an office space. So I located in Calgary and became the Contracts Manager and Chief Executive and George Bourque remained in Edmonton as the Head of Field Operations.

#226 Nadine: And that was the beginning of Peter Bawden drilling?

Peter: Yes. We received the rig, it was largely rigged up and ready to go at the end of June or the first part of July in 1952 but the drilling business has had a history of being cyclical and while it had been booming six months earlier and there was s shortage of rigs, by this time there was a little shortage of work. So I went through most of July and August with tremendous concerns along with my new shareholders as to whether we would find work or just what was the problem. However early in September I came across Eddie Labord and his company who we've talked about and at that time, the company was Western Homestead. And so Western Homestead had a well to drill at Armenia, in the Armenia field which was about 40 miles southeast of Edmonton so it was quite a thrill to sign up the first drilling contract. And it was about a 3,600 or 3,800 foot hole and quite a

milestone. And then the well spouted in September of 1952.

#247 Nadine: And a few years later you had six rigs?

Peter: Yes, the second rig was all part of the original financing. All together I had raised \$250,000. So I paid cash for the first rig and ??? amount down but there was financing involved in the second rig. And in the winter of 1952 and '53 I took delivery of a second rig which was a National 55, brand new from the National Supply Company. So fairly quickly we were a two rig company but I had always felt that we should have three rigs to try to spread the overhead. So I had some goals to expand and in fact by the spring of 1953 I had acquired a third rig which was a used Cardwell trailer rig that was owned by Mowat Drilling. Mowat was, I think, a two rig contractor. And with that rig number three came the tool pusher, a man by the name of Doug Parker, who, about 4 weeks ago, I presented his 30 year pin with the company. So along the way with some of the acquisitions, some of our very best and long term employees have become part of the Bawden Drilling organization.

#269 Nadine: How old were you at the time?

Peter: Well, I was twenty-three in 1952 when the company started.

Nadine: That's quite young.

Peter: Well, I always felt that it was a full time job to run a hamburger shop or it was a full time job to run a drilling company or I guess a major oil company, so I didn't, at least in my mind, youth was no impediment.

Nadine: And then what happened. You had all these rigs and were you working all over Canada, all over. . . .

Peter: Yes. Through the 1950's we acquired more rigs up to rig #6, which we bought some new and well, mainly new rigs and in 1959 we became involved in discussions with Husky Oil about the purchase of Husky's rigs. They had eleven drilling rigs. They were mainly National rigs but they had one rig that appealed to me particularly, it was called an ADB rig, which was designed, at that time for about 11,000 foot drilling and it was working in the foothills west of Calgary. But most of the rigs were National rigs and we concluded a deal, which I believe was \$1,150,000 for the eleven rigs. So compared to today's prices, well it seemed like a lot of money at the time, it doesn't seem like quite so much by today's figures. In 1960 we commenced discussions with the Bailey Selbourne Oil Company. Alex Bailey was the Chief Executive at the time and Bill Friley??? who's still in Calgary was a senior person in the company. And they owned a company called Trident Drilling. Trident was started in the early '50's with quite a lot of capital and quite a flair. But by the late 1950's I think they realized that there were cycles in the business and they weren't the most efficient company and so they were interested in selling it. And so in 1960 we concluded a deal for a little cash and some, what seemed like sizable notes, but I think in total, for a little over \$2,150,000 we acquired something like eighteen rigs from Trident Drilling or we acquired the company in fact. So we ran Bawden Drilling on the one hand and Trident Drilling on the other. And at that point in time, we had something in the order of 34, 35 drilling rigs which made the company really, the largest

or equal to the largest in Canada.

Nadine: This is the end of the tape.

Tape 1 Side 2

Nadine: When did you start working abroad?

Peter: In, I believe in 1961, we read that the Moony discovery had been made in Queensland in Australia. And so in about two or three months following that which was in the month of March 1961, in the spring of 1961 I went to Australia. We found some very good Australian people who owned a drilling company but wanted some more rigs and were somewhat short of field expertise so we formed a partnership. And we each leased our rigs in on the basis of new values and we formed a joint company. Which the Bawden Company provided the field management for and certain other management but they provided some senior people as well. So we very quickly found ourselves with half a dozen rigs in Australia, in Queensland. And that led us in due course, in the middle and later '60's to drilling the first self contained platforms off shore in Australia. Esso had made the Bass Strait discovery with the Glomar rig and we developed a number of fields for Esso off shore with self contained platform rigs and our partnership there which was know as Richter-Bawden Drilling Company. Mr. Richter was an old time Australian driller who was an employee of our partners and we named it to try and give this an Australian flavour as well as to involve our own name but we were in fact equal partners. And Australia was an interesting experience for a variety of reasons, firstly because it was our first real foreign venture. We encountered a lot of dessert and heat and sand and that of course, led us to the off shore and we still have a lot of Australian employees. Very senior people who joined us during those years that are still with the company all over the world. Perhaps the thing that gained us early prominence though Nadine, was in our northern drilling in Canada which gave us perhaps our fist stepping stone and credibility to move overseas. After we acquired the Husky rig in the late '50's, we had some operations as a result of the acquisition that were in the Northwest Territories of Canada in the Rabbit Lake area, west of Hay River, Northwest Territories and at that time, in 1959, that was considered quite a remote, quite a northern location. It no longer is of course, because things moved much further north and rather quickly. But because of that operation in the Northwest Territories, we developed a special interest for the area and in fact, in 1955, I had taken a small outboard boat with Bob Sparrow who was my co-shareholder in the company and with Eddie Jackman who was a young male friend from Eastern Canada, and we had taken our outboard from Hay River down the Mackenzie, Fort Simpson, Norman Wells Fort Norman, Fort Good Hope, Aklavik, Inuvik which was just under construction and then to Tuk-Tuk on the Arctic coast. Spent some time whaling with the Eskimos and really developed quite an appreciation for the area. Part of our interest was the fact that it appeared that someday there would be oil and gas exploration down the Mackenzie and so that led us to firstly the Rabbit Lake drilling, but then when there was a well to be drilled north of the Arctic Circle and west of the

Mackenzie which was to be drilled by Scurry Rainbow. We signed a contract with Scurry Rainbow, Lawrence Morrisro??? who was the Chief Executive at that time. And that was really our first step. The well was called Grand View Hills #1. It was west of a place on the Mackenzie which was really a dot on the map but no population. But a point on the Mackenzie called Little Chicago. And we took off from Little Chicago with Doug Parker whom I mentioned earlier, as head of operations and we took the caterpillar tractors, the trucks and the whole operation and built the roads, some 22 miles from the Mackenzie. And it became quite a notable well because of its location, at that time, the furthest north well in Canada. Perhaps another interesting feature of that, which gained a lot of attention at the time was the Eskimo employment program that we had and we

#063 Nadine: You were a pioneer.

Peter: Yes we were. We went to the Department of Northern Affairs at the time, and told them that we would be interested in employing natives. They carefully selected a dozen young men, whom we brought to Edmonton, put through a several week training program and took them north and they really became quite a very much photographed group of young men and our pictures appeared in publications across the country. But the well ultimately was abandoned. The rig moved back. But that led us to our work for Dome and group, Dome et al in the Arctic Islands. And Dome had an interest in working in the Arctic Islands. I had in the meantime, made several visits, during the Grand View Hills operation we had acquired a DC 3 or a C 47 aircraft for resupplying and we did all of our own resupply and crew changes and things like that with our own aircraft. And of course, in the early stages when we were moving the rig to the riverbank on the Mackenzie, we had operated our Super Widgeon which was a Grumman amphibious aircraft. But with the DC 3, I'd made several trips to the Arctic Islands to see what was going on and try and gain some familiarity with it. And by that time the J. C. Sproule firm was at work in the Islands doing some photo and other surface geological work for various clients. So when Dome, in the early '60's, appeared to be interested in putting a group together, we tried to work very closely with them and the British company which was called Lebidus ??? Oilfields, I think. Bryce Cameron was the manager here. We tried to work closely with all of those companies because we had a great interest in securing the first contract in the Arctic Islands. Besides that at the time, things were pretty tough here in the south, work was scarce, prices were not very good, so this was an especially interesting opportunity for us. But I remember Jack Gallagher and I visiting different people but in particular Jack asked me one time to go over to the Palliser Hotel to meet Joe Hershorn. Joe Hershorn was a well known mining executive, a very flamboyant gentleman, who was out visiting from Eastern Canada and he invited us over to the big suite at the Palliser Hotel and Jack Gallagher was making his pitch about Joe Hershorn contributing to, hopefully, the first well in the Arctic Islands. He was quite a forthright and outspoken man and I remember him pulling him a wad of bills, hundred dollar bills out of his pocket and slamming them down on the table and saying, there, there, Jack, here's a contribution Jack. But he seemed to be saying I don't appreciate all the poverty that you're indicating Jack, on behalf of you western oil men but here's a little contribution. Joe Hershorn

ultimately did not participate in the well but he did have some acreage in the Arctic Islands so he was a natural candidate. But in those days we did keep close to Jack Gallagher and he worked diligently during the spring of 1961. We were ready to move quickly in case the money came together and as I recall we were given the word to go ahead sometime about the middle of June, which was not much time. But Bob Sparrow and I had visited Copenhagen and had close links with Lawrence and Co. who owned most of the polar ships available at the time. So we were able to move rather swiftly and we gave Dome et al, and I think there were over twenty companies in the group, we gave them more or less of a turnkey price. We told them we'd drill a well to 10,000 feet or give them 100 days of drilling including the move in of the rig, for \$1,000,000, whichever came first, the 10,000 feet or the 100 days. The principal proviso we had to have was we were never certain whether we could reach Winter Harbour because of ice. Winter Harbour on Melville Island had been visited by Perry in 1819 and 1820, he was the principal early explorer and we had spent a lot of time reading Perry's diaries and looking at the soundings of the water, the temperatures. Trying to get a feeling for that part of Melville Island. But there was still the uncertainty as to whether the ships could get there so the principal proviso was, that if the ships couldn't get there, we'd have to have the client land us in Greenland and bring the ships back the following year to take us in. However, we were very pleased with the outcome of the well. I rode on the ship from Resolute Bay west to Winter Harbour. My father actually rode up from Montreal to Resolute Bay, which was quite a thrill for him. They made a try for Winter Harbour about the 12th of August but they got stuck in the ice and couldn't make it. So when I arrived about the 15th or 16th of August, perhaps a week after their first try, we were able to make it to Winter Harbour with some icebreaking but not really heavy problems. That we felt was a pretty notable milestone in the companies activities because it had a lot of publicity and there was a great deal of interest in that area. Up to that time there really had never been a commercial venture that had penetrated most of the Northwest Passage. Because in fact at Winter Harbour, if we had traversed the last 115 or 120 miles over to Prince of Wales Sound we'd have been pretty well in open water and could have completed the transit of the Northwest Passage. But while that had been done before, this really was the first commercial venture that deep into the Northwest Passage. So it was to a certain extent, a history making venture. And we had a lot of pride and a lot of involvement in carrying that out. In fact at the time, we made a film, a local producer went up and shot the footage and ultimately persuaded us to make it into a film and in the following year it won the Canadian film award in the commercial entrants. And in the course of the next 5 or 10 years we wore out something like 30 prints showing it at different meetings and expositions and things like that. So it really, the well along with the movie had quite a following.

#153 Nadine: And this was in '60. . . .

Peter: In 1961. We spouted the well in the fall. . . , the contract was awarded in June and we got to the location about the 16th or 18th of August and we spent ten days unloading and everything went pretty well as planned. And we spouted the well about the middle of

September, we reached 10,000 feet in 95 days, which was five days ahead of our estimate, which was a little bonus for the contractor on the turnkey price. And then Dome decided to drill deeper, ultimately the well went a little beyond 13,000 feet and for that we had to fly in a lot more supplies and more pipe and things like that to drill deeper and the well. .

Nadine: Were you flying everything of the equipment?

Peter: Everything that was additional to the first ninety days had to be flown in. We had supplies there for 100 days, so when we went the extra couple of months we had to bring in the extra supplies by air. But it presented a lot of interesting challenges. The DC 3, in those days, we went and landed it on, you might say the mud flats really, on the west side of Winter Harbour. If we stopped moving or stopped rolling with the aircraft the tires sunk in the mud, so we had to keep it taxiing quickly onto platforms that we'd set up because we couldn't stop the aircraft without taxiing onto these wooden platforms. And we did in fact, get stuck in the mud on several occasions. We had a rather interesting pilot at that time, who was with us for many years, Jack Riley, who's co-pilot was in fact his wife, Molly Riley. And both of them have been recognized as members of the Aviation Hall of Fame in Edmonton. But Jack played a big part in the transportation by air at that time. Another thing that was an important contribution was, somewhat prior to that time, we had been the first oil field service company, or oil company to purchase and to put in operation, single side band radio equipment, so we could talk directly to the rig at all times from our Edmonton office and through a telephone patch or hook-up to our Edmonton office, we all talked to the rig with some regularity. And of course, we had the same SSB equipment installed on the Thoridan which was the 5,000 ton Danish ship which took us in there. So at all times while we were penetrating the ice of the Northwest Passage I was constantly on the radio to my friends in Calgary and other parts of Canada describing the scenery and the polar bears that we were encountering. So we really had some interesting and very close links with our friends as we moved westward through the ice of the Northwest Passage.

#195 Nadine: What was the reaction of people to this event?

Peter: Well I think it was, at that time, the Arctic was quite unknown, naturally there were early explorers and there had been visitors. But the majority of Canadians, there was little known, it is a hostile and harsh climate and the elements are severe and can threaten life and limb but it was largely unknown, especially to most Canadians and to the oil and gas industry. So I think it was considered quite a test to go in. Could we sail in, what about drilling in permafrost, what about the 24 hour nights, the effect on personnel, and how about transportation and communications, which are all still absolutely vital in northern activities but it's changed quite a lot because the Pan-Arctic aircraft fly to Ray Point non-stop in a commercial jet in about three hours. Our travels used to take up to Edmonton and then to Yellowknife for fuel and then to Cambridge Bay for fuel and then we had to approach our Winter Harbour location with a small beacon to guide us and we were landing on the ice on a very small lake which was located beside the rig.

#215 Nadine: So that was taking time?

Peter: Well it was a very long, long trip. Winter Harbour, aside from it's more recent claim to fame as the sight of the first oil well, a dry hole by the way, drilled in the Arctic Islands was notable in history because of its visit by Perry in 1919 and 1920 and he wrote extensively about the area. So a lot of what was known about many of these islands in the Arctic was what had been written by Perry or in the search for Franklin which took place in the 1850's. So there was very limited knowledge by most Canadians about the Queen Elizabeth Island group which is north of Lancaster Sound. So it was written up regularly in the local and national newspapers.

#230 Nadine: It was quite an historical era?

Peter: It probably could be considered really an historical voyage. We had some visitors from Dome and other companies but I think it proved quite a lot that subsequently made these things so much easier. But it gave us, as a company, a place in the industry and probably, not probably, that along with the first well in the Mackenzie, established the company as one that could undertake difficult projects where it taxed the will and the strength of the men who went with it, along with the company who had to do the proper planning and logistical arrangements, communications and all of those things. So that was really a big stepping stone which took us to many other parts of the world where the conditions may have been totally different but the general problems were always the same.

#245 Nadine: And after that, what happened? What did you do?

Peter: Well I guess really, our principal step beyond the foreign activities in Australia, it led us to Southeast Asia firstly, it was a natural step from Australia. And the oil and gas industry in Indonesia in the last part of the 1960's was opening up. The industry there was spearheaded by the famous General Idno Sutoho???, President Sakharno had given him a mandate to get the oil industry going, and in fact, the real pioneer of the Indonesian oil and gas industry, post independence, was Tom Brooke from Calgary, who with Asamara???, made many trips there. And Asamara had a commanding place in the exploration and development activities of Indonesia. Tom himself, was quite a character and operated with quite a wide swath and he deserved a lot of credit for his pioneering in that country. We were a little later on the scene, in the late '60's but we established there, firstly with an office in Singapore and I spent quite a lot of time in Indonesia. There were many frustrations, things moved slowly, people, Indonesians kept you waiting, or didn't show up for appointments but in due course we signed an agreement with General Sutoho to provide drilling rigs for Pertamina, which is their national oil company. Originally it was two separate companies which merged to become Pertamina. We started off of course, with one or two rigs and we eventually had half a dozen rigs in Indonesia. It's had its ups and downs but we had a lot of good experience there. We made money in Indonesia. In later times it's become more difficult because they're working so hard at nationalizing their service industry that they're making it difficult for foreigners to participate. But just about that time, in the very early '70's, we looked from Singapore to the North Sea which was getting under way and we had opportunities to quote on off

shore development platform drilling there. So we opened up our London office and our first big contract there was to build the Piper platform for Occidental and their partners. One of whom was Lord Thompson from a fleet who was really a Canadian. But we worked for the better part of two years preparing our two rigs to go out on the Piper platform. In those days these were an investment of about \$10,000,000 each, U.S. dollars. And in January of 1977, we actually spouted in our first well on the Piper platform in the first part of January. We had two rigs there. By the middle of September of 1977, we had drilled ten wells and they were together producing a total of 300,000 barrels a day, which is a tremendous amount of oil. Tremendous success. Subsequently the field produced up above 350 or 360,000 barrels a day but it really was a very important part in the rise of the fortunes of Dr. Armand Hammer and the Occidental Company. And no less could be said of Lord Thompson who had 20% of the activity and so that too was a huge factor in the rise of the Thompson family in the oil and gas business.

Nadine: This is the end of the tape.

Tape 2 Side 1

Peter: For the Bawden Company it was also important too because it was our big start in the North Sea. There were a number of other contracts. We obtained the Amoco - Montrose contract. We drilled up the Montrose field for Amoco. We moved to the Claymore field for Occidental with two more rigs and subsequently drilled for Brit Oil on the Beatrus??? platform, for Conoco on the Mercherson??? platform and two rigs for Marathon on the Bray 8??? platform. For Brit Oil on the Beatrus B platform and we added certain labour support to BP on the 40's platform but what has happened there is that the early contracts, we purchased and supplied the drilling equipment and all the management and operation for it. But in due course, generally after two or three years, the oil companies exercised an option to buy our machinery. And we exercised our first right of refusal on the management of the platform and supplying of all the personnel. So in many cases now, while we're operating eleven rigs in the North Sea, only two or three of them are owned by us because the operators have eventually exercised their option to buy the. However it's very a profitable business and we have something in the order of 600 people working off shore in the North Sea and we've drilled more holes than any other contractor in the North Sea. So the Bawden Company has been a very important factor in development drilling in the British sector of the North Sea.

#021 Nadine: A success story.

Peter: Well it's one of our very good areas today and it would appear that it will continue to be so in the future. Somewhat out of order, but following our Canadian Arctic experience, we took a rig to Spitzburgen ??? to drill for amoces ??? in 1963, I think. So at that time that was the furthest north well ever drilled in the free world and they still hold that record. Although there have been some far north wells in Canada, now I'd have to look at the specific latitudes. I guess in the late 60's and early 70's one of our very busy areas was Algeria. We were operating in North Africa for Sonatract ??? which was the Algerian national oil company and we operated two rigs and in due course four rigs that they owned, but we had a lot of Canadian personnel there. In fact, our operations, in the supervisory sense, have always been dominated by Canadians. We have a lot of very fine and senior employees from the United States, Great Britain, Australia and some other countries where we've worked. But for one reason or another the Canadians seem to come through as those who are well suited and quite willing to adapt to almost any conditions and so whether it was coming out of the High Arctic in Canada or in Spitzburgen, we still found that Canadian were awfully good people to work with in other places. And Algeria was no exception. We had to put a lot of emphasis on French there. We had a fairly extensive training program for Algerians with film and on the job and classroom training and we did it all in French. So we prepared our manuals and those technical books for the Algerians and instructed them in French. But that was a little different experience, with the Arab flavour. We've been in Guatemala, in Central America, we've been in Columbia, we're operating two rigs in the northern part of Peru off the coast of Telara??? They're owned by Belco Petroleum in the United States but we're managing two of those rigs and I recently visited Telara, it's quite an interesting place. The original development there was all done by Esso and interestingly enough, George Coleman, who is a Canadian, was for some 13 years the head of Esso's operation in Telara. Again the Canadians, at that time, now this was just post Leduc, but a lot of Canadian didn't make it back to Canada from the University of Oklahoma but through their affiliations with Esso went to South America. And it was a very interesting trip with George Coleman because he had been so long a senior person at Exxon, but now retire, was a very interesting gentleman to travel with, with his old, long time links, not only with the country but with so many of the people who were now employees of the Peruvian oil company. But we think that there will be other opportunities for us in Peru, but also in South America. Of course, aside from where we're working, I think we've had people in almost every country of the world to look for opportunities. I guess I couldn't overlook our experience in Iran. We moved into Iran during the middle 1970's. We had two rigs off the coast in the Bushere??? field for Amoco Iranian Oil Company. And it was slant hole drilling, we'd had some early experience in slant hole drilling in Santa Barbara off the coast of California. During the lat 1960's we acquired Brown Drilling Company which was an old line California company and that led us to the Union Oil work in Santa Barbara. And because of the slant hole experience we were asked to quote and eventually provide rigs for Iran on slant hole drilling platforms in the Persian Gulf. The reason for the slant hole rigs is that the oil production is so close to the surface that

when you want to drill from a fixed platform to some distance from the platform to tap the reservoir, the depth is so shallow that you can't bend the well quickly enough so you have to start drilling at an angle. That was proceeding well until the Iranian revolution caught up with us and our crews. . . .

#081 Nadine: Did you get out in time?

Peter: Yes, our crews finally escaped on a work boat across the Persian Gulf and we got one of our rigs out just in time. Took it and took it to Singapore. The other one was left there but eventually we settled up with the Iranians and the insurance company and as far as we know the rig is still out there. But we, I must say, have had experience with many government and many parts of the world where all kinds of risks and different tax questions, and living conditions and health, malaria. I didn't mention New Guinea, where we've drilled a number of wells, but all of these have presented special challenges. Perhaps one of the more interesting projects at the moment is in Madagascar, off the east coast of Africa. It's a republic, we're drilling there for Amoco and providing all the construction equipment, the housing, the base camp and a great many things that are beyond the normal drilling contractor demands but that is a place where our client is very enthused about the geological potential. When I was there a couple of months ago, I met the General who is in charge of all these things within the country and we had a very good meeting with the President of Madagascar and if anything their expectations have risen to perhaps too high a level. But I know they all expect the first well, and at the very worst the second well, out of half a dozen, is going to be a large oil producer. But it's interesting to prospect in a country where they've had very little past activity of this type. And they're rather special people, we've found them to be cooperative and friendly. And each one of these has been a special experience for those of our people who have worked there. In that particular case while we, in most instances, would have camps and people would be rotated on a thirty day basis, that's thirty days on the job and thirty days out, such as in the North Sea. But there, they're rotated all the way, I'm sorry, in the North Sea, it would be two weeks out and two weeks at home. There, they're thirty days on the job and then we fly them all the way back to Canada or the United States or to Great Britain or perhaps some going to Southeast Asia or Australia for their thirty days off and fly all the way back to Madagascar for thirty days work. Perhaps one of the interesting things I think, when you get that far away from home, is that we have to provide awfully good food for these expatriates and lots of it. In the camp in Madagascar, but it was no different on Melville Island, 25 years ago almost, it was no different, but at the camp in Madagascar in warm conditions we had a choice of steak and chicken and fresh salads and everything that you'd see on a Country Club buffet right here in North America and yet we were very much out in the bush in the central western part of Madagascar which is somewhat uncivilized. But the food is one of the important things to those who do that kind of work. It's demanding and it takes good food and so we have to provide it. We pride ourselves on doing it, but it still is a long supply line from North America or from Europe to places like Madagascar. I think I was flying from ???, the capital of Madagascar, it was about a three hour jet flight to Nairobi and then I think I was

something over ten hours from Nairobi to London so it gives you some idea of the distance.

#133 Nadine: Your company is international but you chose to stay in Calgary. Why?

Peter: Yes. Well I am a Canadian and as you may know I was a Member of Parliament from 1972 until 1979 and I think that, while we have to move people abroad to do the jobs that we do, I am a Canadian and I felt that some of us have to stay here to fight the battles. Because many of us were terribly concerned about the future of Canada during the Trudeau years and our concerns were enhanced with the National Energy Program and the budgetary measures that followed. And put together it added up tho the fact that a lot of Canadian had to remain here to change the government and to give Canada the opportunity to prosper with their resources of human and natural resources we have. So I never had considered and never would consider making my principal residence anywhere else.

#149 Nadine: Could you talk about the evolution of the drilling technology?

Peter: Well, that's something that the drilling engineers could probably better talk about but I believe that the cost of drilling a well revolves very much around the time that it takes to drill it. And the history of the oil well drilling business is that wells have been drilled faster and faster and in many cases fields, such as the Swan Hills field which I recall, probably started out requiring 30 or 40 days to drill the wells. In due course this was reduced to 25 and to 20 and probably less. But these developments took place partly because of the pressures on contractors wh, in many of these well, were drilling by the foot. But there's been a lot of technology contributed by the service companies and by the oil companies who have been experimenters. And as I say, by the drilling contractors who are under pressure to accept the work by the foot and therefore they had to perform. As far as the technological changes, to start with, the big difference today in most drilling rigs is that they're highly mobile. Every load that has to be moved is costly, it takes that much longer to set it up, so the construction of most drilling rigs today revolves around the least number of loads and the fastest possible hook-up of equipment once you arrive at the drilling sight. That's been supported in many ways. There are newly designed substructures and masts which erect quickly. Driego ??? company in Edmonton, which is presently in some financial difficulty but they deserve credit for a lot of improvements in the design of the substructures and the masts. The drilling machinery is very heavy, that is the pumps, the drawworks, and the engines, so the whole question of what you put up onto the substructure which has to be at a certain height to accommodate the blow out preventors versus what you can leave lower down without lifting it to those higher substructures. And the combination of innovation in the construction of substructures and masts along with diesel electric which enable the power to be generated at ground level instead of high up on substructures has all contributed to the rapid move and rig up of drilling machinery. So there are a number of improvements there. The other one really relates to down home technology. During the development of the Swan Hills field in the 1960's we saw the advent of the jet bit which required a lot more pump pressure and a lot

more horse power to jet the drilling fluid out from the bit, but the result of this was that the cuttings that the teeth were producing were removed very quickly from the bottom of the hole. So instead of each tooth, as the bit rotated, cutting a piece of rock twice, it was more quickly removed from the bottom of the hole and thus the penetration rates were enhanced considerably. Another factor has been the technology of drilling mud itself. Low solids and the removal of the fines and the ground up material that results in the drilling mud, the removal of that through desanders and desalters has also made a very notable improvement in the penetration rates. And the other factor has been the development of bits themselves. It relates to bearings, the lubrication of bearings, it relates to the quality of the bearings, the shank and of course, the steel and the cones, which enable a bit to drill on bottom for a longer time or a different type of teeth for different formations. And there's been a great deal learned in the last 25 years and the drilling today is tremendously improved when it comes to time and time is money. So I'd hesitate to make a guess at the difference but I would assume that in all probability, we'd be drilling many wells today in a quarter of the time that we were in the 1950's. Of course, there are new problems too. We have H₂S and the great problems that that can create with the embrittlement of steel. But all of these things have advanced as well. The treatment of drill pipe under those conditions, I think you'd have to sum it up by saying that we're a great deal more efficient and that all translates into lower costs for the oil and gas industry because if you can drill a substantially cheaper well because you're drilling faster then the same annual budget will drill you more wells and hopefully more producers. But basically the concept of rotary drilling itself, hasn't changed the principal, the concept of it since Howard Hughes invented the rock bit back in the 1920's or the early 1930's. There are such things as turbo drills however, which instead of turning the drill pipe from the surface, turbo drills utilize the movement of the drilling fluid which moves through turbines and results in turning the bit without turning the pipe all the way up the hole. It's not all that common here, it has been used successfully in certain specialized projects, just as has air drilling. Rather than drilling with fluid, there's some places where air drilling, where the formations are dry, where air drilling can provide meaningful improvements in penetration rates. But those things are rather specialized and can't be used in many parts of Alberta. But all of these things put together has, in spite of the principals of rotary drilling still being the same, it has resulted in tremendous improvements. All of the handling tools, the handling of drill pipe into the derrick and laying it down and picking it up. There have been many inventions and improvements but it all revolves around one thing, that is drilling the hole in less time.

#251 Nadine: You have been a witness to the ups and downs of the oil industry. Can you comment on that?

Peter: Well, it certainly has a history of that and I guess when I look through some of the old oil in Canada magazines that I seem to have in different cupboards, it's interesting to note that there are not very many names today in the business that were here in the 1950's or even the 1960's. There's been tremendous change and a lot of this has resulted from the demise of those who, in the service industry couldn't compete, couldn't make a go of it during

these downturns and of course the same applies to oil companies. There were those who were promoted, may have had modest success but ultimately were merged into, or purchased by people who were more aggressive and more successful. But the oil industry has always had a history of ups and downs. And the drilling industry, if anything, has been more cyclical than the oil and gas industry. In most instances this revolves around the price, or the netback of gas or oil to the investor, to the explorer or the developer, so some of these cycles have been manmade. And we were talking a little earlier about the National Energy Program and while world conditions reinforced the pressure downward on the Canadian industry, we, I feel, were pressured downward a great deal more than we should have been. I think the Canadian industry could have remained moderately healthy through these difficult world pricing conditions if in fact, our legislators had not made such great mistakes. But it has been a history of up and down and I think in some instance that's been good because, as is the case in the current downturn, there's relatively little profit in the drilling contracting business today, other segments of the service industry are profitable. They're all somewhat different. But it's forced everybody in the industry, particularly in the service industry, to look at their costs, to cut their overhead, trim the fat. So I think over the years some of these downturns have been good for the companies involved because it's forced them to become a lot more efficient and the conditions right today, in many companies, are so dramatically different than they were three or four years ago, you'd find that costs, but particularly overhead costs, are dramatically reduced and efficiency is a great deal more. And sometimes we get riding along on a crest as we were in the early 1980's and everything was a little overheated. Our labour costs were escalating quickly, our employee costs at all levels were escalating. So I think everyone comes down to earth during these periods of time and maybe every once in a while that's a good thing. It sets us straight so that as and when things improve, we can be much more profitable as a result of the belt tightening experience.

#312 Nadine: You were an MP from 62 to 69?

Peter: No, it was 72 to 79.

Nadine: Can you talk about that. Why did you go into politics?

Peter: I always had some interest in participating in the political forum but I became especially concerned after Mr. Trudeau had been in power for two or three years, about the directions that the Trudeau government was taking us. Some things in life happen rather accidentally, but I had not really had a lot of involvement in politics although I'd followed it closely and been a supporter in a very modest way.

Nadine: This is the end of the tape.

Tape 2 Side 2

Peter: I went to the celebration of the Lougheed victory at the Westgate Hotel in August of 1971 I believe and at that time ran into David Tavender who was a young lawyer in Calgary involved in politics and he asked me if I might consider seeking the nomination for the Conservative Party in Calgary South. The date had been set for some point in time, which was less than a month from the time that he spoke to me. It was a very short time to make a decision and to organize if one was to have a chance of winning. So that was a turning point because I spent about a week or so thinking about it and advised my friend David Tavender that I would indeed give it a try. So almost immediately I was involved in campaigning for the nomination and that was the beginning of a very interesting eight year period. And a very worthwhile time for me as well.

#017 Nadine: Could you comment on the contribution of Alberta to the development of the oil industry, the Canadian oil industry?

Peter: Well, I'm not sure that I can say very much about that except that it has been the principal oil producing province in Canada. The oil industry, of course the very beginnings were in the 1800's in the province of Ontario and the early part of this century but really the Turner Valley field produced some of our earliest people in the industry. And really made Calgary the centre, the oil capital in an administrative sense, not just for the province of Alberta but really for the whole of Canada. Edmonton became more of the field centre and still is. This isn't to reduce the importance of the other provinces, Saskatchewan and British Columbia and to some extent Manitoba but I think that a lot of the success in Alberta might be attributed to the personalities and to the people who were involved in several different levels. But I think most will agree that Premier Ernest Manning brought very good sense, administration and government to this province during his years as Premier. And that provided a stability and a reasonableness to royalties and a confidence by investors that was very important. The Conservation Board which is the regulatory governing authority here, as it relates to the industry, was headed by people who were highly respected. Ian McKinnon at one point in time, who ultimately went to the National Energy Board, followed by George Gauvier, both were highly respected people. George Gauvier is better known to most people here today but they were highly respected and very able people. And that combined with the stability of government that we had under Mr. Manning really got this province off to a very strong start. And it clearly made us the oil province of Canada and I think for a long time to come because of the people that are now based here, we'll find that even those developments in other parts of the country as far east as our East Coast and certainly in the high Arctic will continue to be, in many

cases managed from Alberta. But in any event Albertans will have a strong part in the activity because of this long background of experience and of course, it's been a most important part of the Alberta economy so it's going to be important in the longer term that our governments, our provincial government and hopefully our federal government, keep this as a strong and vital industry in Canada. Not only of course, for the economic development or support of our own province but it's been made very clear in recent years when it looked as if Alberta was getting more than its share of the benefits, that the ripple effect that spread out to the manufacturing provinces of Ontario and Quebec and Central Canada, all of these were benefitting in a very handsome way from the prosperity that we had here. So when the prosperity here was shut off through arbitrary and foolish government actions the ripple effect collapsed and the economies of other provinces were adversely affected and dramatically so. So I think that the energy industry, in Alberta in particular, will play, can play and must play a very important part in the whole economic structure of our country. Because we have a valuable resource and in a country where security is supply, where we live in such a cold climate and we have to recognize the military importance of having indigenous supplies. I think that however our conventional oil sources are going to deplete and rather quickly unfortunately, but we do have an abundance of natural gas in the longer term under appropriate pricing and royalty and proper rules we're going to have great reserves available in the heavy oil in the Tarsands of Western Canada, but most of it does lie in Alberta. But all of this can only take place under stable and appropriate rules and sharing between investors and governments.

#074 Nadine: What do you think of nationalized oil companies, like Petro Canada?

Peter: Well, I believe that the government should not be doing anything that could be done by private or by industry. So I believe that government should confine its activities to making the appropriate laws and rules and my experience is that they're going to have their hands full just doing that. And that if they try to get into enterprises that they know nothing about and try to employ people to run them, generally speaking they're going to be less successful than the private sector would be. So why should we have government enterprises competing? As is the case at crown sales and many other areas we find that the government is bidding against, not just larger companies, but I know that a great many smaller companies are most distressed to find that our national oil company has taken a piece of land at a crown sale right out from under them. And I'm afraid that it's pretty discouraging to find that you're bidding against your own government with the resources that they have and in many cases, these companies have not played by the same rules. So if you have a hockey game going on and one team has unfair advantages or sometimes the referee is playing on the other team, you might assume it would be very difficult to win but certainly very discouraging for entrepreneurs. And I think Alberta. . ., I think some of the discouragement that's been evident here in the last few years is because we have such a charged up, such and enthusiastic, such a hard working and entrepreneurial group that it becomes doubly discouraging when you find that the referee, or the rules are being slanted against you. And perhaps more than anything because you are were successful.

#100 Nadine: How do you foresee the future of the oil patch here?

Peter: I think we're going to return to profitable days. I believe that our natural gas industry, where we really do have meaningful reserves, these reserves are going to be important to the North American market but particularly the United States. And all present indications are that the United States is going to be short of natural gas towards the end of the 1980's. And we have the gas. They have such a huge consumption that all they need is a shortfall of a few percent, perhaps 5% and this translates into a very meaningful opportunity for Canadians to sell natural gas into that market. We have a lot of instability in the price of oil right now, which relates to other energy sources which must compete, but during the balance of the 1980's, which after all we only have 5 years to go, it's not that far ahead, if we consider the five years that have just passed. And during this time the figures show that there will be a dramatic reduction in conventional crude production, for instance, right here in Canada. But the same is true in the United States. Their imports of crude oil are going to increase and presently are increasing. They are down from what they were but there is going to be a slow but steady increase in imports. While consumption isn't going to increase dramatically, their own production is likely to decrease. And the same could be said of the North Sea and many of the areas of the free world, which really means that during the last half of the 1980's and during the 1990's, the focus for the world's oil supply is going to move back to the Persian Gulf where there are untold reserves. And that is going to place a lot more importance on continuing to develop indigenous supplies here in North America. So I believe that Alberta oil ingenuity and entrepreneurship, combined with the importance of this resource to our country, I think that we're going to find that we have good times ahead. But I'm not sure that anybody would indeed wish to have things reach the fever pitch that they did here in the early 1980's. But we could easily be a much more solidly based industry as we return in the course of the next 2 or 3 years to times when those companies that have been in trouble are getting out of trouble, when our demand for natural gas is improving. And I think that the new government, we're all very hopeful, but for the most part they've said everything that needs to be said about their policies. We now await a budget in April of 1985, which hopefully will be the first step towards enshrining the laws and the regulations that may go with it. But if the Mulroney government does follow through as they have spoken and as they have said they would, I think that quite aside from the impediments which will be removed, I think there will be quite a meaningful, or perhaps a real groundswell of confidence return. Confidence doesn't return all that quickly, anymore than foreign investment does. So I think that it may just be that the 2 or 3 or 4 years ahead are going to build up slowly and people will only believe it when they see it and that will build more confidence and the tempo will pick up, just as, when the bad news hit, with the National Energy Policy, it took quite a while for people to realize what had really happened. It collapsed fairly quickly but I don't think that people believed it, in some cases, until it was too late. So I think that maybe we now have the situation reversed, but confidence is going to return rather slowly but surely in the 2 to 3 year time frame that carries us through until 1988, I really think we should have a really solidly based oil and gas industry here in Alberta and in Calgary.

#159 Nadine: Let us go back to your career Mr. Bawden. What were the most exciting experiences in your career?

Peter: I'm not sure whether I would use the word. . . ., I'll try and answer your question by perhaps using the word rewarding and then move to exciting. But I think that if I could use the word rewarding, it really has been the people that I've come in contact with as a Western Canadian and in the oil and gas industry. It's not confined to the industry, but the industry attracts, as you know, a wide range of people, accountants, lawyers, all kinds of professional people, engineers and so on. But I think first and foremost, the oil and gas industry has attracted a great many very fine people. Their word is good, and over the years I'm sure that many have told you that large commitments were made and contracts were agreed upon where ultimately the work was almost completed or perhaps completed before formal documents and legal arrangements were totally in place. There's less of that today than there was, there are more lawyers available and there have been experiences that suggested the importance of completing contracts. But really, I really can't think of. . . , the industry almost without exception has been made up of people whose word was totally good. Aside from that, it's a very interesting group of people because of the export of people and technology and in many cases, exploration budgets from Canada to other parts of the world. Calgary's quite a focus for people who've just arrived back from the Middle East or from London or Southeast Asia or Japan. So we are quite an international centre because of our interest in this industry. But it's really rewarding when I think of a lot of people that I met. One of the first people I met was Smiley Rayburne who was the President of Canadian Dalhi???. I came to see Art Smith, who was at the Daily Oil Bulletin in June of 1952, and I had learned his name from someplace and I went in and asked him if he could give me some suggestion as to who I should be seeing and where I could find a list of the oil companies in Calgary. And he was kind enough to produce a number of names for me, probably 50 or 60. And I trudded around, it was a small area then, it was all down on 8th Avenue or perhaps 7th Avenue in a relatively small area, on the second floor of small buildings and things like that. But out of Art Smith's guidance, I certainly remember Smiley Rayburne, who was really a very interesting man in a lot of ways, but some people I think, believe that Smiley is a little bit aloof or maybe a snob, but I know that my first experience with Smiley, at the time I was 23 and I think he was 34 or 35. He seemed to be a little old at the time but as I look back, that doesn't seem very old. But a great many people at that time were very young, in their 30's, there was an older school in Calgary at the time. Oh, I could name many but there was a younger group that was in place and he was one of them. But I think that what I appreciated was that as a very young man, who was walking in cold and brand new, he was quite prepared to take some time.

#216 Nadine: So he was influential in your career?

Peter: Well not so much that, but rather that he was prepared to take some time with a young man and give him some ideas and I guess I would say his door was always open. But he was typical of a great many people in Calgary. Eddie Labord??? is another one who's been a lifelong friend. It was Eddie Labord who signed our first drilling contract for his

company Western Homestead. The well was called Western Homestead North Canadian Armina, but it's produced a lot of people and friendships and I think there's a little different type of person. Perhaps a big contribution I think, to the camaraderie and the friendship and the respect in this industry has resulted from the Oilman's Golf Tournament. The Oilman's Golf Tournament was first played I think, in 1951 or 1950. I first attended in 1952 just as an observer. There was no problem to invited yourself in those days as long as you were a non-playing participant. But over all these years, the tournament has brought people from international companies of importance, from the head of the largest companies, but it's also included all of the leaders in the Canadian industry, whether they're service companies or. . ., some very small, some very large. But it has enabled most of the players, most of the people active in the industry to get to know the rest of them on quite a personal basis. It brings wives together. So there are a great many strong and old personal friendships in this industry. And that particular tournament has played a big role in bringing this about. And it's also introduced a lot of us here in this smaller oil patch so to speak, to important players in the international scene, through the American companies, whose Presidents and important executives have attended the tournament, where we have a chance to get to know them. And Calgary's had another thing going for it and that is that during probably the 60's in particular, but perhaps before, it was always a training ground for young executives from various companies where they could send that prospective young man who they wanted to put in a domestic setting but still a foreign posting if it was from the United States. But a lot of promising executives I think, were sent to Calgary to head companies here where they stayed for 3 or 6 or maybe 10 years but in due course were returned to their parent where they quickly climbed the ladder to the very highest of positions, so many of us, because of Calgary's special place during these years, many of us know people who've gone back to very high positions in the industry. And that makes in interesting to be able to call up on the telephone or through old friendships, to call people, to sometimes get an opinion, or sometimes to ask them for a political contribution. But I suppose the same could be said for politics too, really the rewarding side of that, apart from the learning curve and new experiences, but it really comes down to the people. And they're mainly good people and they're mainly very good experiences. My case crossed all party lines, I have very good friends, very close friends in all parties.

#275 Nadine: You quit politics in 1979?

Peter: Yes, I decided not to run again in 1979.

Nadine: Why?

Peter: Well, there were several reasons. At that time of course, Joe Clark was the leader and he won the election in 1979 with his minority government. There was really a different reason on my part, I enjoyed Ottawa, although I commuted, I probably should have lived there. But with six children in school and the school year never coincided with the political calendar so there could have been times with the family in Ottawa when I would have been here and certainly vice versa. And many western members made the decision to commute, that is to fly down on Sunday or Monday and return at the end of the week to

Calgary. That was a difficult routine and there's no easy answer to it but it was tiring. During that time I still had my drilling company and I also owned a small aviation company at the Calgary Airport that had an air charter business and a fuel service and supply business known as Executive Flight Centre and the charter company's called Business Flights. At that point in time, for a variety of reasons, we moved the head office to Houston. The reasons really were that the centre of the world's oil and gas activity, and we were becoming more and more involved in foreign activities and a great number of our clients and the suppliers and people that we needed were in Houston. And the other was that the Canadian tax rules were basically slanted in favour of companies whose head offices were not in Canada. It would seem incredible, but in any event, those were reasons that prompted us to move to Houston. And that was another one of those times when the rules were changing rapidly and people were discouraged about Canada and felt that we were headed for a downer in this country and we were for awhile until the late 70's when it picked up again, just another one of our cycles. But there was a real question in my mind as an Opposition Member, where after all we had no clout really in government decisions, we were playing a part in criticizing the government, but there's a very big difference between being in the Opposition or in the governing party or last of all being in the Government, in the Cabinet. But at the time that I was in Opposition, there were two approaches at different time, a couple of years apart.

Nadine: This is the end of the tape.

Tape 3 Side 1

Peter: My company was approached during the middle . . . , during probably 1975, by the Ministry of Transport to buy a Turbo Prop King Air that was owned by the company. It really came through a broker and after due consultation with legal advice and the council to the Members of the House of Commons, it was decided that there was absolutely no problem and the aircraft was sold to the broker who ultimately sold it to the MOT. A couple of years later, there was an approach from the Royal Canadian Mounted Police to buy a float plane that was known as a Turbo Beaver that we had out here, which we had no intention of selling, but it was rather unique and fitted their needs. So again with careful consultation, with legal council in Ottawa and Toronto and the Speaker of the House of Commons and the Council to the House of Commons and written opinions from all of the people with the exception of the Speaker, who only expressed a verbal opinion. But it boiled down to the fact that under the Senate and House of Commons Act, a Member of Parliament cannot have a transaction with the government but his company can. Now there's some incongruous facts there but with all of the opinions I had, especially being an Opposition Member, there was no question that this was totally proper. And I was in no position to influence a government decision. However, the result of it was that, oh a year or a couple of years later, some reporter that was in Ottawa came to see me and asked me for some background on it and I said, I have nothing to hide, here's the whole story and I cited it much as I have in this dialogue. He said that he was only trying to quiet some speculation in the press gallery, he was there to do me a personal favour but still I had nothing to hide and told him the background but it was only a matter of 24 hours later when . . . , this was a syndicated writer, and the papers across the country started to carry his story that I had crawled through a loop hole, had technically been all right but totally improper in these matters. Of course, there's not much way to defend oneself, but it made something very clear to me. Firstly, my companies have always been private companies, they're not public and there was a question in my mind whether one could enter politics with the uncertainty of remaining or being elected for that matter, because you only have perhaps four years and some governments or some parliaments have been concluded in much less than that. So there was a real question in my mind whether I should sell my drilling company in particular which had, by this time, represented 25 years of my own efforts and a great many people who were with me and still are in the company which was even more important. But I didn't feel that for, perhaps a four year, or maybe six or eight year, but an undetermined time in politics that I could dispose of something, or should, that was a life's work and might someday be carried on by other members of my family. Being a private company it was much more

difficult to dispose of. Had it been public and my interest been limited to 10 or 20%, it might have been much easier to put the shares in a blind trust and things which are commonly done but it seemed to me to impossible to put the shares, all of the shares of a private company in a blind trust and have any meaning to it. So I didn't feel that, that would be an appropriate step. If I remained in Parliament and if my party was elected. The other problem was that by this time Petro Canada had become a major player and after they took over Pacific and Arco and various others, it left Petro Canada with some part of almost everything that was going on in the oil business in this country. And I concluded that if the difficulties that I ran into as an Opposition Member where I had absolutely no influence in the government, if I was sitting even on the government side of the House, there would have been more question as to what I could have done and I would probably have had to have excluded my drilling company from any well in which Petro Canada even had a 1% interest or 5% interest in spite of the fact that the client might have been Imperial Oil or Shell. But if Petro Canada was even a small partner then I felt it would have disqualified my company and I can't quantify it but it could easily be that we would have been disqualified from anything from 1/3 to 50% of all of the work going on in the country. And so I had to make a decision and partly for family reasons because it was hard to be away that much, but I didn't really feel I had any choice because of the fact that I had, at that point, to sell virtually everything I had. So I felt it was unfortunate because it really became clear that business men would find it difficult to be in politics unless they no longer became business men. They really would have to liquidate and have funds in the bank or in bonds or certainly in some kind of a blind trust. But many of these blind trusts, I think, are rather meaningless because once it's put in there, there's no question that the owner of the shares in the blind trust can always chat with his trustees privately and find out what's going on. It could never be proven and maybe it doesn't happen but I don't feel it's a very satisfactory thing. I really believe that the way to do it is on the basis of disclosure.

#067 Nadine: Are you still active in politics.

Peter: Well I have some roles in which I'm trying to assist my friends in Ottawa. Most of the important people in the government now are old friends of mine who were elected in 1972, such as, Clark for instance, but many prominent ministers. So they often call me and ask for some views on things and I do see them quite often by visiting Ottawa. So I have a lot of ongoing links, partly through fund-raising and partly in an advisory role to my new government friends in Ottawa.

#075 Nadine: What do you consider your achievements?

Peter: I don't know just how these things should be ranked. If you look at the country or the community or then you come back to your own family. But I think really in a sense, the highlight of my life was serving as an elected person in the House of Commons. I wish that I'd had the opportunity to serve in a government. I think that there is a need for good people with the kind of experience I had, but it still was a highlight of my life. I think that

some of the very special project that we've undertaken, the difficult areas, the pioneering if you like, in various parts of the world, starting with the High Arctic in Canada, but I think there's been a contribution. Obviously in due course, all these things would have been done, but I guess we could say that about every pioneering effort couldn't we, that it would someday be done but maybe we advanced that edge of experience or technology in the north or elsewhere by being there first. Perhaps moving it to those limits a little sooner than it would have been otherwise. So I think these were achievement. In a sense a lot of these things, may, in their way, go down in the history books, I think that things that we've talked about. I think it's an achievement or it's an important satisfaction to know that you've done certain things well. And in this company I think one of the things we've done very well is develop our people. Over the years I don't know whether you could say that it was an achievement or not because there are a lot of good people in this industry who had their early experiences with my company. I'd like to think that they saw what we were doing, in every case, I believe we were always very good friends and parted as good friends. But I think it's an achievement that a very big percentage of excellent people in this industry were, in many of their early stages, a part of this company where they probably had some good experience, they got some ideas but they went on because after all for those who want to be the number one or the number two or the number three, you can't likely accommodate them all in one company. But there are a lot of names, I'm not sure could even think of them all but people like Tony Vandenbrink at Trimac & Kenting was one of our very favourite people. Jack Williams at Atoco and Alan Gates, I could name perhaps a dozen people. I'd have to sit down and write them out but I have a great many friends in this industry whom I respect and I think they respect me. So I think it's been a contribution and therefore an achievement and I've been pleased and proud as well to carry the Canadian flag to other parts of the world. Again, it's always a matter of how you measure these achievements because one might have achieved in a much more prominent sense in Ottawa as a member of a government. But I think from a personal point of view, it's an achievement to have your independence, so now since 1952, approaching, within several years of 35 years in the history of the company, I have, with a few short years in Ottawa and even then, I've really my own boss and my own person. And for me that's an achievement because I like the independence, it produced more hard work, it required more hard work and in many cases a great deal more commitment to long hours or travel, but ultimately I always knew that if I wanted to leave and spend a day or a week in some sporting activity in which I've always been involved I could certainly do so. So I think that that is something that for me was an achievement because I always wanted that freedom. I guess the last thing when it comes to an achievement in a sense are one's children and mine are not at a sufficiently advanced stage to know what they will turn into or how they will achieve, but I think above all, for many people, but certainly for me, that would be the most important achievement as you look back in your life is to have raised children who are successful and happy, perhaps happiness above all. I don't know that I could elaborate more than that, there are more philosophical things but I think perhaps the last thing but not the least would be so many fine people that are with me in the organization. We have between 1,000 and 1,500 employees depending on the

moment in time or which rigs have started but there are a number of people now who have been with the company for 20 and 25, and some over 30 years and I think to have retained the loyalty and the friendship of such fine people over such a long period of time, I think in a sense is an achievement. At least I'd put it a little differently, I'd say it's something I'm very proud of. And they're personal links and friendships with these people with whom I've been associated with for so long that really, are a terribly meaningful part of my business and personal life.

#157 Nadine: Do you have any plans for retirement one day?

Peter: No, I think that I'm a great believer in letting other people and especially young men take on all that they would like to and certainly all that they're capable of. I still think that, of course I am the shareholder in the company, so there's a reason to continue being interested and then it's just a case of what you try to do. When I went into politics I handed over the operational function or the chief operating function to Dick Irvine who was a 25 year employee. And that operating function, along with Frie??? Rodley??? who's a operating chief under Dick Irvine, younger people like Art Dumont, but a great many others, have in fact carried the operating responsibility. And my role since I went into politics in 1972 has been as the Chairman. So I have varying involvement in activities. I am rather deeply involved for periods of time in some things where they think I can play a role but I try not to be involved in things where I think they can do just as well. And I find great gratification in seeing younger people, one I think of is Ted Larkin, a relatively new, 24 or 25 year old in the company, but people like that who really have the enthusiasm and the energy. And that is one of the most satisfying things is to see the younger generation taking over, but I still think there's a role as long as one does not intrude too often. People have to make some mistakes, they have to learn some things the hard way. But I think there can be an ongoing role for one to put forward some ideas and give them the encouragement and boost their enthusiasm and occasionally point out some of the pitfalls from experience because I think, for instance that many of the present moment in this industry and the bankers that are attached to it, have learned some lessons about growth and debt and equity and things that have caused the demise and the near demise of a lot of our friends in the oil and gas industry. So it may be that 10 or 15 years from now that someone with my experience and my contemporaries in the industry and the banks who have become the senior citizens of the industry will still be able to tell their much younger friends, look there are some lessons to be learned from the 1980's. Energy policy or taxation or pricing and these things, and I think there's an ongoing role for that type of senior person who keeps in touch. If one does and or course one must. But I'd like to think that I could go on for a great many years and play an important but a minor role in the day to day activities.

#199 Nadine: Before I ask you the last question, is there anything that I have forgotten to ask you or anything else you would like to talk about?

Peter: Well, just off hand I can't really think of anything, I'll probably think of some things tomorrow Nadine.

Nadine: And this is the last question, looking back at your career, what do you think of it?

Peter: I'm very pleased, I wouldn't have changed anything. I can certainly think of some decisions where expansion was taken on at the wrong time or perhaps some opportunities missed, but I'm very pleased. I haven't any regrets. I joined the right industry at the right time in my own life and at the right time in the industry. And in the right place, here in Calgary Alberta. It's led to wide horizons and a great many experiences and not the least, some of the sporting opportunities that seem to be part of this industry and part of this province, such as the mountain with hiking and skiing, or photography, shooting, hunting and things like that, which have, in most cases, been done with good industry friends and in many cases, my friendly competitors. So I really can't think of any important thing that I would have changed.

#224 Nadine: Mr. Bawden, I've really enjoyed interviewing you, thank you very much.