

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Don Binney

INTERVIEWER: Susan Birley

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Susan: It is July 26, 1983. Susan Birley interviewing Don Binney at the Anglican Diocese office in southwest Calgary. Rev. Binney, can I call you Mr. Binney. . . .?

Don: Call me Don, that's easier.

Susan: I wonder if we can just start with your basic biographical background, where you were born and raised and where you went to school.

Don: I was born in Moncton, New Brunswick, March 31, 1921. The family lived in Moncton till I was about 10 years old and then moved to Boston. And we were in Boston for about 5 years and then moved to Toronto. So schooling wise I guess I went to public school some in Moncton and some in Boston and high school in Toronto. Because of what would be in today's modern terms, a bit of an economic recession, I needed to leave high school and I came west in 1939 and began to work in the oil field for Anglo-Canadian Oil Company in what was then called, little New York, which today of course, is Longview Alberta.

#015 Susan: Had you heard when you were in Ontario about the Turner Valley oil field or how did you decided to come to that specific location?

Don: My uncle lived in Edmonton and in talking with him, he said that opportunities might be a little better here than they were in the East, so it was on his recommendation that I ventured west.

Susan: What was your first position for Anglo-Canadian?

Don: I worked on the bull gang, which as the name says, did all of the chores that nobody else wanted to do. Laying small pipelines, digging ditches, painting tanks, cleaning tanks, digging culverts, whatever. And it was appropriately named. It was bull work.

Susan: And how long did you continue with that before you actually ??? drilling rig.

Don: I worked on the bull gang for about, just a little better than a year. The following year would be 1940, I was fortunate enough to get a position on one of the drilling rigs that were owned by the company at that time.

#026 Susan: What kind of a company was Anglo-Canadian in those days, how many people were working for it?

Don: I suspect that it would be hard to gather up more than 100 in those days, including the office staff and the production people that were in the Turner Valley, Longview area and the crews that were on the three drilling rigs.

Susan: Was that their total operation?

Don: That was their total operation at that point in time?

Susan: what about the other people that were working, were any of them experienced in working in the oil field or were they mostly from all walks of life?

Don: Well, I wouldn't say all walks of life, they were mostly rural people. It seemed the natural place for rural farmers, if you wish the word, to migrate to work in the oil field because as a farmer they were all used to working with machinery and improvising on the farm which was what was required of people working on rigs and in the oil field in those early days. And because the oil field were, in their very beginning, in Canada at least, there just weren't any experienced people. Those who had any experience of course, were all Americans who had been imported by the company to be the supervisors. The General Manager of the field was an American and the tool pushers on all the rigs were all Americans and a few of the drillers. But they'd all been brought in from Oklahoma and Colorado but there weren't all that many of them, about 6.

#041 Susan: Did they have their own exploration department or drilling department or anything like that?

Don: Well yes, they had their own exploration department in the form of a couple of geologists and some production engineers and a production manager. And they had the drilling division which of course, drilled the wells that they wanted to drill and also contracted to other companies, albeit not very many companies. I suppose that in those days our best customer was Home Oil.

Susan: And was that Drilling Contractors?

Don: That was Drilling Contractors Ltd. which was a subsidiary of the Anglo Canadian Oil Co.

Susan: And so was that the extent of Anglo's relationship with Home?

Don: Yes. To my knowledge at least it was the extent of it, that we were a servant to Home Oil. In later years of course, on some ventures, the successors to Anglo Canadian Oil became partners with Home Oil in many ventures but in those early days as far as my knowledge goes we were just a servant to Home Oil.

#052 Susan: And who was in charge of the various departments at that time at Anglo?

Don: Well, there was a Mr. Grant Sprad who was a geologist and a well known figure in the oil field of course, who was the President of the company and resident in Calgary and Mr. Ralph Will, who was the General Manager of operations and was resident in Longview at the camp that's just down by the river below the town of Longview. And he was the supreme being.

Susan: And what about some of the geologists that worked there?

Don: In those early days I didn't pay much attention to geologists so I really didn't know any of them.

Susan: How long did you carry on working for Anglo at that time?

Don: Until the spring, well the late fall of 1941 and then I joined the Royal Canadian Navy and departed back to Halifax, closer to where I was born. And I was in the Navy until August of 1945.

Susan: Were you in action in the Navy?

Don: No, I can fortunately say I didn't get to see very much action in the Navy, although I spent some time at sea in the North Atlantic. We didn't have any really encounters that you would call heavy action. And I didn't spend very long at sea, about 9 or 10 months. And the rest of the time I spent a shore in St. John's, Newfoundland as a shipwright working in their repair facility there.

#069 Susan: Did you have some mechanical background or did you just pick it up.

Don: Some mechanical background from my 2 years experience previous to going in the Navy and the rest I learned in the Navy. Taking courses in various and sundry things, all of which stood me extremely well when I came back to the oil field after the war because I learned a great deal about welding and mechanics and electricity.

Susan: And when you came back after the war, who did you return to?

Don: I returned right to the same company Drilling Contractors Ltd. Which at that point in time had now separated from Anglo-Canadian Oil Company because Mr. Ralph Will had purchased the drilling division from Anglo-Canadian and was still operating it under the name of Drilling Contractors Ltd. So on the day that I was discharged from the Navy at about 11:00 in the morning, I was working on a drilling rig by 4:00 in the afternoon at Crossfield.

Susan: You didn't waste any time.

Don: I couldn't afford to.

#081 Susan: When you first went to Turner Valley, was it a really busy place. Was there that much activity going on?

Don: It was a fairly busy place. It was a long time ago in history but I would suspect there might have been a dozen rigs working the area between north of Turner Valley itself down to Longview. It's not busy in the way we think of now but certainly it was an active place.

Susan: At that time, did anyone feel that oil was going to become a big commodity or did people just feel that it was something that was going to pass?

Don: I don't think they thought it would pass but I don't think they envisioned it would become anywhere near the industry it is around the world or that people would be drilling in the odd places they drilled or that consumption of products would even escalate to where it has in the past. But I think they felt it would be an ongoing enterprise.

Susan: What about the gas, there was a lot of it that was burnt off. You mentioned some pipelines, how much of it was routed through pipelines at that time?

Don: A considerable amount of it. Even in those early days, Canadian Western Natural Gas, the supplier here in the city purchased gas from Turner Valley. And also purchased gas to repressure down at Bow Island. However their consumption. . .the city was small then and the production of the fields that they had producing was far more in excess than they needed. So the normal thing was to flare gas. And we flared it for years because we didn't know what to do with it. We didn't have the technology to put it back in the ground and we couldn't sell it to anybody. So if we were going to produce oil the only alternative was to flare it.

#102 Susan: What about the technology that you were using drilling at that time, were they steam operated rigs?

Don: They were steam operated rigs, using the rotary drilling method which probably had been in use for 10 or 15 years previous to that. And incidentally is the same drilling system that's used today, albeit with some great improvements. You could have bought a whole rig then for \$5,000, today one of the semi-submersibles that works offshore is probably worth \$125 million.

Susan: Did you notice any . . . when you were working drilling on the rigs, did you experience many problems with the formations in Turner Valley, like I understand that they. . .

Don: Continually. We used to spend in some cases anywhere from 10 months to a year drilling those wells there and with today's modern methods a well of 8-9,000 feet deep in that area, if you took more than 60 days, you'd be slow.

Susan: Did you work on any of the Millarville wells?

Don: I worked on 2 or 3 wells in the Millarville area, to the west of Millarville. Those were after the war. Before the war the work was all in the Longview area.

#119 Susan: What about when the conservation board came in and for instance, made certain regulations affecting drilling, did that affect your job at all?

Don: Well, it affected it in making it much safer. I guess if that's the effect, one of the great effects the Conservation Board. . . although some people in the early days would have debated their affect or not in the long run it has served a good purpose to not only conserve Alberta's natural resources but also to conserve it's human resources and protect them, which they still do.

Susan: Did you come across any of the early Well Surveying Companies, do you remember which ones were operating in the area.

Don: I'm trying to remember. There used to be a company the name of Lane Wells who did logging work if that's what you're referring to. And Slumberjay, of course, who've been in the business for a long time and Haliburton, in those days, was doing a little bit of well logging work. But they were the only 3 that I recall.

#133 Susan: Were safety precautions. . . I guess those were fairly different than what they are now. Did you notice many accidents of anything like that or were people more careful do you think?

Don: I think people tended to have a real sense of protection of themselves and their fellow workers in those days because they fully realized that it was an extremely dangerous occupation. And we didn't have anywhere near they safety rules, nor the safety equipment or even the knowledge I suppose. Safety wasn't in those day, a prime target. The prime target was to get the well drilled. And certainly there were a few accidents and certainly there were some serious ones, which usually when you analyze it, were the fault of the person involved although some of it was created by circumstances which people didn't really have any control over. Or at least they didn't think they had any control over it.

#146 Susan: During the war did you notice any activity that stemmed from war time oils or any

of the companies that you were associated with helped in any way?

Don: I'm sure they did but we were a long way removed from it so it was difficult to notice. All we knew in the Navy was that somebody was sending oil.

Susan: Did you notice in the field any shortages of equipment or anything due to the war. . . .

Don: There was quite a bit of that I'm sure because we had great shortages of equipment in the Navy itself and I'm sure that everybody suffered from shortages of equipment they needed. I can recall during the war that you weren't even able to buy cars. There just weren't any available because all the automotive plants were dedicated to equipment for the war. Even after the war for a year or so after the war, it was difficult to get an automobile.

#156 Susan: When you returned to Anglo-Canadian had things changed much in the structure of it or were the same people still there?

Don: The same people were still running the drilling division and the same number of rigs were working. That was the fall of 1945 so I really didn't notice much change at that point even though it was under different ownership.

Susan: Who was it owned by?

Don: Mr. Will. He was the one who owned it, he purchased it just before the war was over.

Susan: Did any of the other people branch off? It seems to me later on, Grant Sprat branched off.

Don: I'm trying to remember where Grant Sprat went to work. I've forgotten, there was a gentleman by the name of Gene Denton and a gentleman by the name of Cody Spencer who both worked for Anglo-Canadian Oil Company and they, just at that particular time, branched off and formed a company called Denton and Spencer, which did two functions. They got themselves a couple of drilling rigs which Cody Spencer ran and Gene Denton ran a consulting business. And if my memory serves me right that's who Spy Langston??? started to work for was Denton and Spencer. I'm trying to remember again the circumstances, it was a long time ago, Mr. Denton died within 2 or 3 years of forming that company and Cody Spencer ran it for a long time and Spy Langston ran the consulting part of the business for a long time until he retired. The rigs subsequently were the basis for the start of a company called General Petroleums. They of course, subsequently became . . . merged with what is now known as Westburn???. So from that one flow of Anglo-Canadian Oil Company, as far as drilling rigs go, you've got Bow Valley Industries one way, with a whole flock of rigs and Westburn the other way with a whole flock. I suppose Mr. Will, as we used to call him, Pappy Will, was the sponsor, the father if you wish to say, of a great many people who spread out through the whole of the oil industry.

#187 Susan: Did he have a lot of foresight as to the type of people that were needed?

Don: He was an excellent man to work for and he really had a perception of the business. And he would never ask anyone to do anything he wouldn't do himself. He was an excellent leader and he was a very direct communicator. Such things as 'if I want your opinion I'll ask you'. You were never in any doubt as to where you stood with Mr. Will. But Mr. Will had one great talent, well he had many talents but he had one great one, in that he never,

ever held a grudge. As we used to say in the oil field, he's go up one side of you and down the other and around you three times so you thoroughly understood that he was not happy with what you had done but he'd never hold a grudge. Do it twice, he'd fire you. And nobody could complain at that. He was one of the great people of the oil field.

#202 Susan: At some point he left Drilling Contractors. . . .

Don: He sold Drilling Contractors to 13 of his employees who worked for him.

Susan: What year was that?

Don: 1952. And he retired.

Susan: So he stayed with it right through Leduc. . . .

Don: Yes. Leduc, Redwater. It was 1952 that he elected to sell the company to these 13 employees who worked for him and retire.

Susan: When Drilling contractors was involved in Leduc, what wells were they working on?

Don: At that point in time of course, the company had enlarged, from the three rigs right after the war to nine rigs. They'd acquired six additional rigs there in a very short period of time and a lot of extra people and it would be a little tough to tell which wells we drilled and which we didn't. I can recall one clearly, it was the one immediately north of the Atlantic Wild well, one location to the north, on which I was working at the time, so we had a bird's eye view of all the goings on at the Atlantic well. And of course, it made us extremely conscious of what could happen if we weren't careful with what we were doing.

#220 Susan: At the Atlantic well when they started having all the problems, I understand the Conservation Board cut back production from all the other wells so that they could just take the oil from Atlantic. Does that really affect any of the other

don: Don't quote me on the historical happenings there. I suspect a good deal of it was not necessarily for conservation, it was because of the capacity of the pipeline to get the oil cleared out of there so it wouldn't run all over the road. And so until they got things under control when the well eventually caught fire and of course, then they didn't have the problem of that oil flowing. I think it may have been partly on conservation but I rather doubt it. I wasn't in the production department but I would have thought that the people around there would have strongly objected to having their production cut back while a wild well was taking it away from them. So I think it was more because of the logistics of being able to move oil that was the reason. Now I could be corrected on that because I can recall seeing a great dike on the northwest end of that property, which was the low end you know, that was piled up there by caterpillar tractors and it must have been 6 to 7 feet high and the oil was, on given days, a foot from the top of it. It was just merely getting the oil out of there that was the problem.

#240 Susan: So do you think that . . . was it draining ???

Don: I would have to think that some in the immediate vicinity would have suffered some pull down of their production and their reserves because of that well blowing wide open for as long as it did. That's a natural phenomenon of producing oil wells. If you produce them

too hard you'll not only draw down their own production and draw in water from the bottom but you'll draw a little production from your neighbour if they're close enough.

Susan: Then your Drilling Contractors, can you remember the names of some of the 13 people that bought it out from Ralph Will?

Don: I can try. There was [Art MacIver and Joe Wark and Jack Gammon, myself, Norman Vettors, Harry McMillan, Don Bernere, Red Young, Red McLaren, Walter Brown, Bill Daniluk, Chuck Cowan and Al Granger]???. I'm not sure that's 13 but I think it must be close.

Susan: It must be, I wasn't keeping count. Did they restructure the company at all?

Don: Yes, we changed the name of the company at that particular time to MacIver Drilling. And Mr. Art MacIver became the President, Mr. Joe Wark became the Vice-President. Needless to say all 13 of those shares I guess, were not equally. They were on a diminishing scale as to the person's relative responsibility in the company. The Calgary office personnel got a fairly substantial bunch and the tool pushers of which I was one, all got the same amount and some of the other people got lower amounts and the 2 drilling superintendents got a little higher.

#273 Susan: Did that reflect the amount that you paid for your share?

Don: That reflected the amount we paid.

Susan: What was the size of the company by then, did you have more rigs?

Don: I think we had about, at that particular time, 10 rigs.

Susan: And what fields were they operating in then?

Don: We were in Redwater and we were in Leduc and in Viking Kinsella and two of the rigs were just wandering around the country generally doing exploration work. I wouldn't class them as being in any field. But the bulk of them were working Leduc Redwater.

Susan: What did you do once you discovered oil? Who handled the marketing, were you working for a major company?

Don: We were working for a major company. When we found them oil, we gave them the well and that was their problem. We didn't have anything to do with that.

#292 Susan: With Viking-Kinsella, that was mostly gas wells.

Don: That was all gas wells right. For Northwest Utilities out of Edmonton.

Susan: So they had pipelines built?

Don: Yes. They had pipeline running to Edmonton. Northwest Utilities has been supplying gas to Edmonton, I'm trying to remember when the first well was drilled in that Viking gas field and it's got to go back to somewhere in the . . . I'm taking a guess, 1925.

Susan: ??? a long time before they actually . . .

Don: Oh yes. Well those first wells had been drilled out there with cable crew rigs in that area you know. And we used to go out there, I guess for 7, 8, 9 years, we'd go out there to drill them another 5, 10, 12 wells every summer. Very quick drilling, we used to . . . when the company first went out there they'd spend a couple or 3 weeks drilling a well and the last year that I was out there, we were producing those wells every four days. With a little more modern rig, and little more modern technology it didn't take too long to drill them.

They were only 2,000 feet deep.

#313 Susan: And what was your position by then?

Don: Well, the first year I was in Viking I was a driller, the second year I was there I was a tool pusher, the third year I was out there I was an Assistant Superintendent.

Susan: Is that a drilling superintendent?

Don: Yes, Assistant Drilling Superintendent.

Susan: What were your duties as an Assistant Superintendent?

Don: To share with the Drilling Superintendent, the supervision of a dozen rigs.

Susan: So you were sort of a go-between for the company and the actual rigs themselves?

Don: That's true yes. They tool pushers were responsible to us for what they were doing and we were responsible to tell them what they should be doing. And we drove a lot of miles, I used to make 50,000 miles a year. Lived in Devon and every morning it was up at 6:00 and answer the phone and then head out for a different rig somewhere else or 2 or 3.

#331 Susan: Would you mind telling us what the average wages were in those days for the type of job you were doing as Assistant Superintendent?

Don: About \$700 a month and a company car and a bit of an expense account. Which was. . . you know, the oil field has always paid extremely well and so \$700 a month today may seem like, and is, poverty compensation, in those days, it was good and fair compensation for what we were doing. It wouldn't have been good and fair compensation for the hours we worked but that was neither here nor there. In those days we learned that if you wanted to keep your job and get ahead you didn't argue about how many hours you were going to work a week. You did what had to be done. If it took you 16 hours a day, seven days a week, well, that's the way it was.

End of tape.

Tape 1 Side 2

#011 Susan: So with MacIver Drilling, how long did it continue in that form?

Don: Well to the best of my memory about a year and a half and then we had a change in senior management there and the company went public, with the help of James Richardson and Company, who were brokers and underwriters and the company was renamed Hightower Drilling. Not for any particular reason other than we had high derricks and we were looking for a name which was not attached to an individual and we had an extremely difficult time finding one that suited us with the registrar of the province. So we finally settled on Hightower, which name is still in existence today as a subsidiary of Bow Valley Resource Services.

Susan: And what were the conditions of going public?

Don: Well, in going public, of course, the 13 owners of the company, because the public purchased part of our ownership. In other words those 13 people maintained about 40% of their holding and they sold 60% to the public. So each one of the 13 got a little money and the balance of the underwriting went to fund additional equipment. And so the 13 all got a little money put in their pocket and they all retained some shares, which were now marketable because they were public shares. And it wasn't too long, a matter of 1955 or so, that 13 number had reduced itself to about 6 or 7 people. Because some of those others were considerably older and felt that they ought to retire and go elsewhere. So there were about 6 of us that hung in to run the company.

#030 Susan: After Hightower Drilling was formed and went public, did you continue on with them for some time?

Don: Yes, I continued with the company. I eventually was made a Director. Well, first I was made the Manager of Operations, I moved to Calgary in 1952 and in 1953 I was elected a Director of the company. Maybe '55 or '56, somewhere in there I was appointed a Vice-President of the company, Vice-President of Operations as well as a Director.

Susan: Can you remember, were there any major events that took place during that time?

Don: Yes, we gained about another 4 rigs. I think at that point in time we were up to about 16 rigs.

Susan: And were there any other competitors that you had in the field?

Don: Oh yes. Competitors were growing steadily in those years. Ever since Leduc, they were showing up all the time. Before the war there probably weren't more than 3 drilling contractors in the whole country, I think by 1956 or 7 there were probably 15. Of varying sizes of course, of which Hightower was one of the biggest. Commonwealth was another big one, and General Petroleums, they were the 3 biggest drilling contractors in the country out of the 15 as I recall. Commonwealth and General Petroleums both merged to become drilling divisions of the Westburn group of companies.

#046 Susan: So I guess after Leduc, exploration fanned out into all areas of the province?

Don: All areas of the province and a lot of people who had worked on rigs thought they'd like to be in the drilling business so they started drilling companies. Some with as little as 2 rigs and some with 3 and 4 and 5.

Susan: So then you continued on until what time with Hightower?

Don: As I recall the date was about 1959 somewhere when the Seaman Brothers who owned Sedco Drilling were looking to go public and their advisers advised them it would be better to acquire a company that was already public. It would be much easier for them so they borrowed some money from an English bank called Charter House and purchased about 855 of the outstanding stock of Hightower. The 15% was still held in the hands of the original Hightower owners, the 4 or 5 that were left at that particular time. And so they acquired all of our assets and their company was merged into our company. Although they were the senior people at this point in time, it was still named Hightower.

#062 Susan: When the companies were looking for financing what were the major routes that they would follow in looking for financing?

Don: Overseas and New York. Money was not very easy to come by in Canada because the Canadians had not yet become big investors in the oil business.

Susan: They didn't feel there was any future in it?

Don: Well, I don't think the future was what they were worried about, it was stability and return on investment. They weren't used to investing in stocks that did not pay dividends and were purely capital gain stocks. Where the other more sophisticated investors from both overseas and New York were willing to live with those kind of things. In other words they were willing to wait some years for some material returns. It may be incidental to this and my mathematics might stand correction but when Hightower's stock was originally issued, it was issued for \$5 a share and again, I stand to be corrected but it has been split 32 times and today trades for \$30. And that's a period of a little better than 30 years.

#078 Susan: So it was a good investment if you wanted to wait.

Don: Well, it would be hard to say if any of the original shareholders at \$5 still held their shares thirty years later. But anywhere along the line, people who have stayed with Bow Valley's shares for a 2 or 3 or 4 year period have at least doubled their money. But that's just a side light. Now it's easier to raise money locally although there's still a great deal of U.S. money that comes in. Where before the only places that we had to go for funds was England, now you can go to most of the European countries for funds. They're willing to invest in Canada because they see one thing, that Canada is a great land of natural resources. We don't have many people but we've got a lot of natural resources.

#088 Susan: At what point did Canadian companies start???

Don: Probably back as far as 10, 12, 13, 14 years ago when money became much easier to get in Canada.

Susan: So you mentioned that by say, 1959, there were maybe 4 or 5 of the original shareholders

left. Who were they?

Don: Well, there was Mr. Wark and there was myself and there was Norman Vettters . . . I'm trying to think who the other one was in 1959, Bill Daniluk, Al Granger.

Susan: And have any of the other ones gone on to form other companies.

Don: No, all of the other ones have gone on to do other things. Retire or go farming or. . .

Susan: Had things changed much once you became merged with the Seaman Brothers. Did they change your objectives or anything like that?

Don: Well, I think they changed the objectives of the company considerable. Their philosophy was to become a natural resource development company in itself. And so where we had primarily or not primarily but solely concentrated on Hightower to being a drilling contractor, once we merged with the Seaman Brothers they had so many other ideas to become an oil producing company by themselves, a manufacturing company, a supply company as well as the drilling company. So from that point our philosophy did change. And they had ambitious plans for expansion.

#109 Susan: Did you start implementing those right away?

Don: Oh yes. Implemented them just as fast as we could find the money.

Susan: And did all of them prove to be successful?

Don: The majority of them did because that's the evidence that Bow Valley has given over the years. From time to time there were some that didn't work as well as we hoped they would and if they didn't we disposed of them, although there weren't very many of them.

Susan: In the oil part of it, do you know of any exploration plays?

Don: Oh yes, quite a few.

Susan: What areas?

Don: Mostly Saskatchewan in those early days and of course, subsequent to that the North Sea, Indonesia, North Africa, just to name three of them that they personally became involved with. They were involved with many more in many different places as partners with other oil companies.

#122 Susan: Did they have to bring in any say, experts that were involved in the oil industry to develop these new areas or did they just rely on the resources that were in the existing company?

Don: Well, in most of the cases, you know, when you get into situations just as I mentioned, Indonesia, North Africa, the North Sea, all of those are too big for one company especially a small company like bow Valley to handle by itself. So there are always a group of joint venture partners and between the partners there is always enough expertise to do what is required to be done and the use of consultancy to help you.

Susan: So when you had just formed the new Hightower Drilling, how was the structure of the executives set up?

Don: Doc Seaman was always the Chairman of the Board, D. K. Seaman and his brother B. J. was the Vice-President and his other brother Don was a Vice-President and I was a Vice-President and Mr. Joe Wark was a Vice-President and of course, all members of the Board of Directors. Along with the outside Directors who ??? the company but that was

the management structure in the early years. In the later years, of course, it evolved with the addition of Manufacturing Vice-Presidents, Service Vice-Presidents, Vice-Presidents of Exploration. . .

#139 Susan: So how many people were involved in the total operation say, in 1969?

Don: Probably close to 500.

Susan: So it just kept gradually expanding, it didn't really experience any major setbacks did it?

Don: No, not major setbacks in that sense. But I am sure we had years that I can remember where profits were not what we thought they were going to be because of small recessions in the industry. Nothing like we've experienced in the last two years but certainly it appears to be the cyclical nature of the drilling business and the oil industry. And I suppose a lot of other industries, sometime sooner or later a recession is going to sneak up on you. It may not be a full blown one but at least a partial one. Major setbacks I would say, no, we didn't have anything that was major. We had some tight spots.

Susan: You continued to rise in the ranks, you began as a driller and ended up as a Vice-President.

Don: Well, I began as a ditch digger I guess, on the bull gang there in 1939 and when I retired I was a Senior Vice-President of the company in charge of special projects.

Susan: And did you have any extra special training or did you just acquire knowledge as you worked?

Don: Just acquired knowledge as I worked. I attended a few course through my career on management and odds and ends like that but mostly what I learned, I learned the hard way. Go and try it.

#161 Susan: It seemed to work out all right.

Don: The oil industry, especially the drilling industry or the service part of the industry has always been that part of the industry which is mostly entrepreneurs if you want to use that word, who are not scared to go and try it. Where the production part of the industry to put it another way, are the professional people. They're the people who find the money and it takes a lot of professional ability to do seismic and geological work and production work. It doesn't require near as much professional ability to do the service work. It requires a lot of technical ability but it's not in the form of graduate engineers or anything like that. Not that we didn't have them but the bulk of the people were not what you'd call professional people.

Susan: Had the Seaman Brothers, been involved in oil before they purchased Hightower?

Don: Yes, they all graduated from the University of Saskatchewan in varying lengths of time, 2 or 3 years apart after the war and they started in the seismic business by getting 2 or 3 small seismic rigs and then they got 2 or 3 small drilling rigs. And that experience would have gone 2 or 3 or 4 years before their acquisition of Hightower. So they had, yes, knowledge of what they were buying. They weren't buying something that they didn't understand.

#181 Susan: SEDCO, what exactly did that stand for?

Don: Seaman Engineering and Drilling Company.

Susan: So had they been operating mostly in Saskatchewan?

Don: Mostly Saskatchewan.

Susan: Did you say they were from New York?

Don: No, they're from ??? Saskatchewan, they're three Saskatchewan brothers.

Susan: And then you mentioned that later on they became Bow Valley Industries, what caused that to come about?

Don: Everybody in the public market place had associated the name Hightower with a drilling contractor and so they felt that they wanted to change the image of the company to being what would be recognized in the market place, in the stock buying public, as an energy development company. So it just required a name change and so they changed the name of the company, for the lack of a better name, again it's extremely difficult to find the kind of a name you want and to find out that somebody else doesn't already have it with the Registrar and the Province. Because the Bow Valley runs right through the middle of Calgary they elected to call it Bow Valley because this was our base headquarters and Hightower subsequently became a subsidiary of that parent company. A wholly owned subsidiary and that was the reason for it. Just to establish a new name for a company that had new objectives and new philosophies and new ambitions and new growth.

#201 Susan: So did it change substantially from what it was before?

Don: Well, the company didn't change because it was just a name change but however, as I stated before, we began to implement all of those plans that we had for growth and diversification.

Susan: What year was it that they changed the name?

Don: It would have been 63, 64, somewhere in that range.

Susan: So you continued on, at that point you were a Vice-President?

Don: Yes, continued as a Vice-President and a Director.

Susan: And did you find that your outlook on the company changed over the time that you were involved with them or?

Don: Well, it changed I would say, a whole bunch because of experience and because of the opportunities that were there within the company to learn and to do different things and to travel and to become more than just an employee. To become totally committed to the objectives of the company. If there's one thing that can be said about Bow Valley Industries, it's the fact that there is a minimum turnover amongst the managerial staff and on up because of the fact that the Chairman and the Senior Officers of the company are all people who are able to motivate the rest of the people who are working there. And to work with them in having them implement the companies objectives. And they compensate people well. They expect you to do your work in return. But it's been a good place to work. It was a good place to work.

#228 Susan: What did you think would be expected of you when you first started as Vice-President, did you feel your position. . . ?

Don: Well, what became extremely different of course, was I had been used to doing nothing

but supervising drilling crews and equipment and all the rest of it. And so becoming an officer and Director of the company immediately brought to light the fact that I really didn't know much about accounting or statements or administration or management or the duties of a Director or the duties of a Vice-President or anything else but one soon had to learn. And to work at it.

Susan: So you eventually figured it out eh?

Don: Yes, with a lot of help. But it was a growing concern and I suppose to some extent more or less we were all in the same boat. Because that was one of the commitments that Bow Valley always had to it's people was to promote from within. It's only a very rare occasion where they'll go outside the company to acquire somebody for a senior position. If they don't have anybody inside and nobody can do the job then they'll do it but in those early years all of the promotions were internal and so all of the internal people that were on the Board and that were officers of the company were all in about the same position. It was a new experience for them to become a Director and an officer of a public company. But we had some good help from our counselors to advise us what our responsibilities were.

#252 Susan: Were your counselors ???

Don: Yes, always. The brokers who underwrite your companies and your legal counsel in this case, Howard, Morin Co. ??? and of course, the fact that all of the securities exchange commissions are not a little bit hesitant about letting you know what your responsibilities are and your auditors.

Susan: So you were involved . . . ??? . . . the change took place in Bow Valley Industries, you were involved world wide were you?

Don: Well, when I retired we were, world wide involvement didn't happen until 1968. It was just last week, in fact, that the first production from the North Sea, the 12th of July, that field went onto production for the first time and Bow Valley acquired that property in 1970. Thirteen years and two billion dollars later. It takes that long.

Susan: Did you anticipate any of the things that were going to happen with, what we call the energy crisis or OPEC or anything? Was any of that foreseen say, in the late 60's?

Don: Well, I don't think that the energy crisis was foreseen by anybody, you know, when the Arabs raised that price originally which created what was for North American an energy crisis until they got used to the price of oil. I think that's obvious that nobody foresaw that, governments or oil companies. I think one of the things that Bow Valley was fortunate enough through the wisdom of their senior officers was to perceive as long as three years ago that this great bubble that had been going on here wasn't going to go on forever and accordingly adjusted their planning to lower their debt and get a little money in the bank and just not spend so much. Because they could foresee this coming and similarly to do some diversification into other areas. One of them being the acquisition of a subsidiary in the States with big coal mines. Bow Valley are one of the big producers of coal in Kentucky. People who aren't in the marketplace probably wouldn't know that but those who are buying stocks realize that Bow Valley has a great many diversified activities, one of which is coal. Another, uranium in northern Saskatchewan. There's not

much sale for uranium at the moment. You see, they have a Vice-President who does nothing but look into mining affairs. Which is part of their overall philosophy of being an energy developing, exploration and producing company.

#306 Susan: So you sort of feel that the strength of Bow Valley Industries would chiefly be the Chairman and the Members of the Board, would you credit them with the reason for surviving for awhile?

Don: Certainly. Collectively the Chairman first and the people that he selected to help him and to counsel him and to guide him and to supply him with information.

Susan: So he's a fairly just employer?

Don: Oh extremely so, he's an excellent employer. He's a man of few words and even temperament. Again he's a man with a talent somewhat like Ralph Will, he doesn't hold grudges, nor does he criticize people or talk about them behind their back or anything like that. If he's got something to say to you, he'll say it in very few words. I can recall one day he was a little unhappy with me for something that I hadn't done properly, lost the company a little money. It didn't really affect our overall profits or anything else but it was in one of my divisions that I was responsible for that didn't do all that well and he called me into his office and he said, you've got five minutes to tell me why you should still stay working here.

#333 Susan: That's putting your life on the line eh?

Don: Well, I satisfactorily explained it in five minutes. He smiled and said, good, we understand each other. I thoroughly understood what he meant.

Susan: So when did you resign from Bow Valley Industries or retire I guess?

Don: Retire, resign, whatever you want to call it. I took early retirement, it was five years ago, the first of July. What would that make it, 1977.

Susan: And what was your position at the time?

Don: Senior Vice-President.

Susan: What were you in charge of then?

Don: At that particular time I was in charge of special projects. And just prior to that I had been on loan to Canadian Gas Arctic Pipelines for two years. And in that position I was President of a consulting company called Northcan Engineering and Management Ltd. which was a consortium of four partners. The Acres Company???, the Foundation Company, Bow Valley and Santa Fe International. And the four of us formed an engineering consulting company on which we had a contract with Canadian Gas Arctic Pipeline to supply them engineering and logistical consulting for the pipeline.

End of tape.

Tape 2 Side 1

Don: And so we were under contract to Canadian Gas Arctic Pipeline to supply them with services for engineering and logistics consulting and some computer planning consulting and I was the President of Northcan. Now when Canadian Gas Arctic Pipeline ceased to exist because they didn't get a permit to build a pipeline everybody got to go back home and Northcan was disbanded and I went back to work for Bow Valley as a Senior Vice-President. I was always a Senior Vice-President and Director but then I became the Senior Vice-President of Special Projects because I'd been the Senior Vice-President in charge of Drilling Divisions before going to Canadian Gas Arctic Pipeline and they had replaced me with another person who worked under me. And so to go back there and have that person move back down the line was totally unfair to him but there were a lot of things going on so they just created a position of Senior Vice-President of Special Projects. And at that time I was in charge of all their supply, manufacturing, drilling as it related to the mining industry. And I was also in charge of again, another joint venture with the Bell Aerospace Company of designing and trying to market and air cushioned drilling vehicle for the Arctic and the Beaufort Sea.

#015 Susan: Was that sort of like a hovercraft?

Don: Yes, a hovercraft.

Susan: And how far along had you gotten with that?

Don: We got it all designed but we couldn't sell it to anybody. Nobody had any money and . . .

Susan: So then you continued, or you decided to retire. Was there any reason. . . ?

Don: Well, my reason for retiring and resigning because for a very long time I'd had what I felt was a call to become a priest in the church. And I had over a period of twenty odd years been heavily involved with the church and studied theology from correspondence and from some attendance at short courses at universities and so forth and so on and had committed to the Bishop of Calgary that when I retired I would offer my services to him. And so at that particular point in time I was 56 years old, I decide that if that was what I wanted to do I'd better get on and do it. So I announced to my employers that, that was the reason I was resigning, not because I was unhappy with them or the company. So that's what I did and I was ordained in the church about a year before I retired.

#030 Susan: And what is your present position?

Don: I'm the Secretary-treasurer of the Diocese and the Executive Assistant to the Bishop. That's what I do through the week. Sundays I motor around the Diocese and try to make myself useful in various parishes and churches, meet the people, help the Bishop, take part in services. They even let me preach a sermon once in awhile.

Susan: Do you feel it's quite a contrast to your activity in the oil field?

Don: Well, it's quite a contrast, there's no doubt about that. In the church you're not worrying about a bottom line profit or income taxes, you only spend what you get. So from an administration point of view it isn't all that difficult in one sense. In another sense it is because you don't have the hired help to work for you, you've got to do almost everything yourself. It's very rewarding and it's also very interesting. A lot of the same things that I learned at Bow Valley of course, come in handy here, the administration of their financial affairs, their insurance, and their investments and their procurement of new buildings and sale of buildings and all of those things. I have had a lot of experience in that at Bow Valley so that stands me in good stead here and also one of the things that I learned at Bow Valley is that every person is different and each one responds to some different way of being motivated. No two people are alike. And I learned that very early working at Bow Valley, if you were going to advance at all and be a supervisor, you had to understand people and what made them move, what made them interested in the company. And the same thing holds true here. People in the church are still people and they're still all different and they still need to be treated differently and motivated differently.

#050 Susan: Well looking back over your involvement in the oil patch, are there any events that you feel were sort of turning points or really significant that affected the way that your career went or anything like that?

Don: I can't really think of anything at the moment, other than the fact that the industry was very young just after the war and it's about like winning a medal in the war. If you're in the right place at the right time and you do the right thing, you get a medal. In the oil industry I think a lot of the same thing could be said, it was the good fortune of being in the right place at the right time when there were a lot of rapid advancements necessary. The industry was growing so fast. All it required was the commitment to work.

#060 Susan: Any particular people that influenced you along the way?

Don: Well, certainly Mr. Ralph Will and subsequently the first President of Hightower Drilling or the second President, Mr. Joe Wark were always two people that I respected and was willing to work hard for. And the same thing is true for the Chairman of Bow Valley, Don Seaman. Those three people have been I suppose the people who have motivated me mostly because of my respect for them and their abilities.

Susan: I guess for today, that's as far as we can go. I would like to thank you for participating and I've enjoyed listening to the interview.

Don: It's been my pleasure.