

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Doug Brown

INTERVIEWER: W. J. Wood

DATE: May 1984

Jim: Tuesday, May 15th, 1984. I'm at the home of Mr. Douglas Brown, just outside of Okotoks, Alberta. My name is Jim Wood and I'll be discussing with Mr. Brown his career in the petroleum industry. Okay Doug I wonder if we could start out this afternoon by just finding out a little bit about your background and I'd like to ask when and where you were born?

Doug: Okay, I was born in Davidson, Saskatchewan in 1922 and lived there until I was almost 10 years old and then moved into Regina and went to school so I took most of my schooling in Regina.

Jim: Was your dad farming out there?

Doug: No, he was in the worst business to be in, in the 30's, he had the John Deere agency out there and it was a real loser because you had to buy everything on consignment but people had no money to pay you when you sold it so you became the banker for a whole bunch of farmers in the area. And then they brought in that act, I don't know exactly when, after the war, where all debts were absolved. So that meant his debts were all absolved, not to John Deere but the farmers to him. So it became. . . you know, it was a pretty tough thing for him to be in at that time. Then we moved to Regina and he worked for the government there until retirement. So I guess he retired while I was away in the Air Force during the war.

#021 Jim: Did you have any brothers or sisters?

Doug: Yes, I had a brother and two sisters.

Jim: So you grew up in Regina and then you mentioned the Air Force, was that prior to going to university then, after high school?

Doug: Yes. I guess I don't know what I would have done without the DVA system where they in effect put you through university. I guess I probably wouldn't have gone because there was no university in Regina and it's pretty expensive. It doesn't seem expensive in today's dollar terms but it was pretty expensive then. I guess it was fortunate for a lot of us that we were in the services and got our DVA grants, tuition paid and cheap housing. I think we paid, I went to U. of A. and we paid something of the order of \$20 a month rent with utilities and a fridge thrown in. If you could get something like that today it would be really great.

#034 Jim: Did you go overseas when you were in the Air Force?

Doug: Well, they called it overseas. Newfoundland and Iceland at that time were considered overseas but I never got to Europe.

Jim: Were you on the transport command?

Doug: In the coastal command, actually it was flying boats??? and things like that.

Jim: Were you a pilot?

Doug: Yes.

Jim: That's an area that is sort of notorious for interesting flying weather at times isn't it?

Doug: Oh yes, fog all the time. And they were so slow, those PD???5??? that you didn't have a whole lot of float??? in at airports when you came back in because if it was fogged in at your airport that meant just about every airport was fogged in. So we had some interesting flying that way.

Jim: Were you in support of convoys or submarine patrol, that sort of thing?

Doug: Yes. But very interesting for a prairie boy to go down and see the coast and see the ocean. At first most land pilots hate going out over the water because if something happens, they always think what the heck am I going to do. But after awhile you get to the point where it's reversed. You feel uncomfortable over land.

Jim: In a PBY, yes.

Doug: Yes. Because it's a great big waddling duck. You can't set it down unless ??? or anything like that. But they are still using them for fire bombers and I guess good success because they keep on using them.

#054 Jim: Yes, you see them up around Sturgeon Lake and that area still in northern Alberta from time to time. When were you discharged then, I suppose at the end of the war and began university, when, '45?

Doug: Yes. Actually we were pretty fortunate. I was at test and development wing at Rockcliff??? at the time where we were testing different modifications to aircraft so when the German theatre closed up they wanted all kinds of volunteers for Japan so we all volunteered, just about everybody in our group. So they sent us out to Vancouver and we sat there, in typical government fashion, for weeks on end and then of course the Japanese theatre closed up so they sent us back to Regina where I had originally joined the Air Force and said you're out. If you've got something to do, we'll let you out tomorrow sort of thing. So I phoned the navigator that had flown with me quite a bit and he was taking engineering at U. of A. So I phoned him and he made a couple of phone calls and I ended up in Edmonton in first year engineering. This was despite the fact that I really wasn't qualified because in Saskatchewan you never took calculus in high school. You took it in university, whereas in Alberta you did. So the registrar wasn't going to let me in but fortunately the Dean, Wilson was his name, he had had a son who was killed in the Air Force so he was pretty sympathetic to people so he just said, come, we'll send you to tutoring for it. So we ended up there 2 weeks before the session started and they tutored us. . . there was about, I guess there must have been, ended up about 20 or 30 of us that they put us through this special calculus course.

#080 Jim: So your choice of engineering at that time was simply because you had a friend that was in the program?

Doug: Yes. But I had sort of always been inclined that way. But just coming out of high school

in a non-university city it was going to be pretty tough but with the DVA grants and help, it made all the difference.

Jim: You graduated in chemical engineering right?

Doug: Yes.

Jim: Did you select that right at the outset or is that something you evolved into as you progressed through the program?

Doug: Well, they only had four choices. They had civil, mining, electrical and chemical. The other three I wasn't really interested in. I would have preferred mechanical or, as it turned out later, a couple of years later, they started up a petroleum course. Chemical worked out all right. Really it doesn't . . . there's lots of geologists end up in engineering roles and vice versa so I think the basic education is what you really need.

Jim: Did you have an interest at all in the petroleum industry at that time or you were just. . .?

Doug: No because you see, this was 1945, two years before Leduc. So the first summer I went surveying up north, doing topographic maps for the federal government and then the second summer I spent at CM&S??? at Trail at a chemical plant there. That's where most of the chemicals from U. of A. is working for CM&S at Trail. If you go out there, there's dozens of them, all from U. of A. And then in third year, of course, by this time, Leduc had been discovered and the Board realized that they were way adequately understaffed and took on George Govier??? as . . . I think he started out as sort of special member of the Board. He didn't intend to stay in there at all. He was an educator.

#107 Jim: You're talking about the Conservation Board?

Doug: Yes. And so George I think he. . . as I say, he was really an educator, but he went through our class and picked out people he wanted for the Board and so that's how I ended up working that summer between 3rd and 4th year which would be the summer or '48 out in Black Diamond at their office there.

Jim: What do you think George Govier was looking for when he was selecting people to work for the Board?

Doug: I think he wanted people who would eventually come into Calgary and do evaluation work. We used to do all the evaluation work for Hubert Somerville??? who was, was he Director of Mineral Resources. So I think that's what he was looking for were people that he could have out in the field until they understood what an oil field was about and then bring them in and have them do that. I guess I've probably learned that since I left the Board rather than when I was there. They were so busy that they tended to ignore you. I guess that was part of the reason I left.

#126 Jim: So you worked between your 3rd and 4th year of university, that summer at Black Diamond. What kinds of things were you doing down there, do you recall?

Doug: The Board at that time, the drilling aspect in southern Alberta was very mature. The rigs were all 20 and 30 year men and the geologists the same so it was kind of, you might say almost a set society so it was a little hard to break in but the main function was monitoring both the drilling and production. And particularly the gas production because as you probably know from the history of the valley, for years they just blew down the gas

cap and ??? So the Board was very sensitive to gas waste. I would say even more than oil, the oil you can't do very much with it, you send it to a refinery and that's about it but gas is a little different. You can do a lot of things with it.

Jim: We'll talk about the gas in a minute. But you mentioned that Turner Valley was a set society and it was hard to break in. Could you elaborate on that a little bit?

Doug: Well, it was. . . I can't remember in your interviewing whether you interviewed Walter Brown. When I went out there he worked for Cody Spencer??? and I think later on. . . ??? . . .so it was kind of a funny set up having your geology done by the drilling contractor but that's the way it was set up. He was helpful after awhile but notyou know, you're breaking into a group that's been working together for 20 years, and you're right out of school and everything. So it was a little difficult I think.

#154 Jim: Just in terms of accepting you?

Doug: Yes. They're different people, Spry Langston??? wasn't like that at all, I never knew Cody Spencer but I guess he was the same. But Spry, he was so busy that it was hard to get him to sit down and tell you some things but he was very knowledgeable and very cooperative.

Jim: So that was a real learning experience primarily for you , wasn't it, rather than your actually doing something for the industry at that time?

Doug: Yes. I would say it was more. . . I think that was what George wanted us to do is to get out there and learn what we could and as I say I think his intentions were that we would move into Calgary and help them out with evaluations and things. Because there were sales coming up right and left, multi-million dollar ones and I think all they had in Calgary, I think the only engineer was Ted Bond???

Jim: So they were a little overwhelmed, I'm sure.

Doug: Oh yes. I mean Ted was doing everything. We tried giving him some kind of a hand but when you're learning yourself you really aren't a heck of a lot of help to somebody like hi. And of course, he was learning too. I can't just remember, he worked a couple of years I think, in the chemical industry so he was really brand new too.

#177 Jim: You mentioned Leduc and you were in university at that time but I'd be interested to know, or even if you had one, your reaction to the Leduc discovery. Was it something that was interesting?

Doug: Oh yes. For an engineer it was like somebody building another CMS??? plant that sat on the outskirts of Edmonton or something. It meant lots of work and real challenges. And before we graduated then Redwater came along, first that and then Stettler. It was pretty exciting times.

Jim: The gas at Turner Valley, were you interested. . .there wasn't much of a market for gas so was it in terms of cycling it or in terms of maintaining the reservoir.

Doug: We cycled what we couldn't sell to the city of Calgary. Canadian Western bought all the gas. I don't think we really cycled all that much. It turned out that. . . .we had the gas cap you see and in the winter time we took a lot of gas out of it, in the summer time we probably. . .yes, we had it pretty well shut in all summer. Of course, we're still doing that

now in most fields, producing gas in the wintertime and cycling it or just shutting it in during the summer.

#202 Jim: So in 1948 in Turner Valley, they were cognizant of the waste that had gone on and were concerned?

Doug: Yes. Very much. And I think that's really what started to bore??? it up really was the waste that took place in the 20's. The exact dates you'd have to get from Red Goodall??? or people like that but Red, I think he started in something like 1932 or back a long ways there anyway.

Jim: What do you recall of George Govier, how would you characterize him?

Doug: A super instructor, just great. He made the comment once that it took him an extra year to graduate because he wasn't very bright. I don't know whether that was true or not but I think sometimes people that aren't geniuses make a heck of a lot better instructors because they know what you're going through trying to learn. Whereas the genius, everything comes so easy to him that he can't see any problem at all, you should know that. George was just an excellent instructor. And he wasn't the Dean while I was there but he was head of the department and he'd just got his Ph.D. from Michigan. So he was a busy man, getting his Ph.D., trying to keep things in line at U. of A. while he was gone, and special Board member and Leduc and Redwater coming in. He was a busy man. Still is I guess.

#229 Jim: Who was hired with you then in '48? Who did you go down and work with?

Doug: I think I was the only summer student they hired that summer. I worked for Dick King at the Board office. Lloyd Heckland??? was there, I think Lloyd. . . I can't remember whether he's retired or still with the Board but he's at retirement age. And David Graham, Bill Kingsford???. We took most of the pressures in the area, I think Chevron had a . . . Chevron had a ??? man and of course, Royalite but we took most of the pressures in all of southern Alberta. So we had two fellows, Kingsford and Graham doing that steadily. That was part of the monitoring system. People were saying, the field is depleted and everything else but when you did some pressure build-ups you found that wasn't true at all.

Jim: Were Chevron and Royalite the main operators down there at that time?

Doug: Well, Royalite in Turner Valley, Chevron out on the plains, Tilley and Brooks and Bassano, out there. That's where we first ran into Ross???, the Chief Engineer for Chevron for a long time, he's retired now. I can't come up with his first name. There weren't too many engineers around at that time so I knew them all.

#260 Jim: So you worked that summer of '48 in Turner Valley primarily, went back to school and graduated in '49 and then went back with the Conservation Board full time then?

Doug: And George hired, I think there was 6 of us. There was myself, [Jack Stabick, Doug Craig, Rod Edgcombe, Murray Blackadar and I think Vern Hardy]??? at that time. Vern may have ended up working in . . . we had a lot of guys working in Edmonton, a paint

company and a south side liquor store that had opened up on Whyte Avenue. There weren't engineering jobs for everybody, I'd say about half of our class. Fellows like Don Walcott??? just went back home and raised hogs for a year or so until things turned around and then he went with Gulf.

Jim: So the interest then was. . . you know, as we talked before, although Leduc and Redwater and Stettler were fields, they weren't ready to hire the engineers yet, they were still in the development stage and not requiring engineering expertise.

Doug: And Redwater as an example, was such an easy field. One engineer could look after a dozen rigs, it was that type of development. Whereas at Leduc you couldn't do that. And the industry generally, not just here but in the States too because when I went with Sun I found out fairly quickly when I went down there that the engineer was considered. . . oh, he was necessary but nobody got enthused when you hired an engineer whereas now, you hire a good reservoir engineer, he's a pretty valuable commodity. But the geologist was the guy and I guess that makes sense too. There was a lot of development going on and if you had a couple of good geologists, you know, like Mobil at Drayton Valley discovery, things like that could make you millions, I guess billions now with the price of oil. So as a result you tended to. . . you had to fight for your way if you were an engineer in those days. Most of the heads of oil companies were geologists. Our was and most others too.

#314 Jim: Well, the problems now are much more of an engineering nature than they were then as well, the heavy oil development, Tar Sands, those kinds of things and the secondary and tertiary recovery processes are more engineering questions than geological largely. You mentioned last time and it was interesting, the effect of Leduc and to a degree Redwater and so forth and their impact on the Turner Valley and the out migration and some of the disruption. I wonder if you could just elaborate on that a little bit more.

Doug: The biggest problem was there was just no housing at all, virtually nothing. Anybody that moved up to Leduc or Redwater put up a tar paper shack was about what it amounted to. So as a result most people left their families in Black Diamond and Turner Valley and just went back and forth, which as I think I mentioned to you before, was a pretty hair raising thing because it was a 2 lane road and just barely 2 lanes the way they built roads in those days. So if you'd get a flat tire or something, broken down on the road, the safest thing was just to drive it in the ditch and somebody to come and tow it out to the nearest service station because to stop by the side of the road was. . . I had a good friend of mine killed that way. And of course, that contributed to a very bad social life because the fellows that were doing a lot of commuting, they almost ended up with 2 families, to a certain extent and of course, this caused many problems too.

End of tape.

Tape 1 Side 2

Jim: Well, then in 1949, were you working in Turner Valley again then or had you. . ?

Doug: Yes.

Jim: And what kinds of things were you doing then?

Doug: Well, the same type of thing except that by this time the Board was getting quite concerned about all the farm gas wells in the country that were tapped into. So Dick King, he spent virtually all his time with them so I was pretty well left to look after things in the Black Diamond office there.

Jim: Those were all the farmers that had run their own unregulated lines into their houses and over the years had caused a lot of deaths and explosions.

Doug: Yes. With or without proper regulators, yes. And so he was running around the country cementing them up and getting that under control. So occasionally I would get involved in going up to Redwater and Leduc but mostly just around southern Alberta. About that time they were drilling Jumping Pound, had it pretty well drilled up I guess, they were drilling Pincher Creek. So there was beginning to be a lot of activity in southern Alberta too but a different type, sour gas wells. I was amused the other day, I heard on the radio a group here who had brought in what they called experts from the United States to the sour gas hearing.

#018 Jim: Oh, down in Pincher Creek?

Doug: Well, the one right around here. They want to put in a plant at Mozepa??? and I thought to myself, you know, gosh, we pioneered sour gas plants right here in Alberta, they've virtually always come to ask for help, like a company when they put in a sour gas plant would contact us for any help we could give them. And consultants too, you know, consultants around town here just know five times as much as the. . . well, maybe not that now, but at one time. So I was amused that these people would bring in these so called experts and were real proud of the fact that they had done this, we've got them right here in Calgary. But that's . . . you know, the far away pastures always look good.

Jim: This is a digression but I'm just wondering if a local consultant coming. . . obviously the community wanted to find evidence in opposition to the plant and a Calgary based consultant then, might do that and then turn around and want to work for the company wanting to build the plant the next day. He might in the long run think it would be better not to take that kind of work in hopes of maintaining good relations with the developer.

Doug: Yes. Probably to a certain extent there is some of that. I don't know we've hired a lot of people that at the next hearing are absolutely opposed to what point we're interested in following.

#038 Jim: Well, in any event, I wonder if you could just a little more explicitly talk about the kinds of things you were doing in 1949 as an engineer in Turner Valley? Maybe a typical day in your life down there at that time.

Doug: I guess we would check by telephone mostly, all the rigs as to what. . this is from Pincher Creek to Jumping Pound to all over the place, as to what was going on at all of them. So I

would say a sort of distance type monitoring thing there. Except if they were. . . you know, like, at Pincher Creek when they ran that first long string there, we had people down there for weeks. I was down a couple of times myself but we had other people there too. And that type of thing, to make sure that, particularly that the proper safety things were being looked after. We didn't try to tell them how to cement the pipe, as long as they were safe. Then on the local scene I'd send out. . . we had about 2 or 3 technicians I guess we'd call them now, who would check the various production batteries to make sure they were properly metering the gas. The oil we never really had to worry about it because there's only one market and it was pretty hard to black market oil in those days. So I guess it would be primarily checking the gas production of the wells. We had Lloyd Heckland, in effect spent I guess, all his time on checking meters of various operators. I don't think the Board does that. . . well, I know they don't do that anymore. The companies all do that. But in those days, they didn't have meter people so we sent Lloyd out to check all the meters. What else, it's hard to recall exactly what you did do.

#065 Jim: Well that gives me I think, a better idea then. And your experience then, that was good that you were down monitoring, actually, drilling activities. That was probably something that served you well later on, more than just checking gas flows or going out to farmer's fields to cement in their. . . . So that was probably pretty good for you. Where were you living down there at that time.

Doug: In Black Diamond.

Jim: Did you have a rooming house?

Doug: Well, we started out in the Board office, they had a room in the back and Mary and I lived there for I guess, 2 or 3 months or more until we found a place which was not . . . I think there was one room. . . two rooms, the kitchen was separate and the bed pulled down from the wall and we had a baby by that time, she would be less than a year old, she was born in the fall of '48. It was a pretty hot summer so the only way we could get her to sleep was to drive her around in the truck for an hour and get her all confused and then put her to bed. My wife of course, grew up in the Garneau??? district in Edmonton, I don't know whether you know Edmonton at all, it's the university district and everybody has been there for a couple of generations. I accused her of never having been outside the city limits but she had traveled a little bit. But we ended up down there in this one room place and it had a pump that you had to prime. She didn't savvy that priming for quite a while till . . . I had to go over to the neighbour to get some water to prime the thing. And the shower was . . . this guy had made it out of about a five gallon drum, he'd made a reservoir there that he'd heat, like the stove had the old fashioned thing, I don't know whether you've ever been acquainted with any of them that have hot water reservoirs.

#093 Jim: Yes, on the side.

Doug: Yes. So you filled that up and then you went in and had your quick shower. Well the first time she had one, she's used to all kinds of water, she got nicely soaped up and everything and there was no water. So lots of experiences but we enjoyed living there. And there was lots of activities, ball team, they had a first class fastball team that won the

provincial honours just about every year I think. And hockey, bowling, a good golf course.

Jim: They had a good baseball team too didn't they?

Doug: Yes, in the south end there. They were a fighting bunch. And you went to a game there, you were really quiet or you took brass knuckles with you. It was exciting.

Jim: Who were you reporting to at that time, directly to George Govier or . . . ?

Doug: No. To Red Goodall.

Jim: And he was in Calgary?

Doug: Yes. Red was Deputy Chairman and he'd been with the Board as I say, 10 or 15 or more years at that time. He was a good guy to work for, a real nice gentleman. George was the action guy. I remember once as simple a thing as I wanted to build a lubricator, it's just a chunk of pipe that you set on top of the well head and run your pressure bomb through it. It's got a valve at the top and the bottom so you can isolate it. But the bombs that we were running, they wanted dual bombs and everything else and it was getting longer and longer. So with this extra heavy duty pipe that was about so thick, it took two guys and even at that it was an awful struggle getting it up. So I wanted to build one out of aluminum. Poor Red, he didn't think that was a very good idea, that aluminum it's not heavy. I said, yes, but it's strong. Well he didn't know about that. At any rate I inquired into it all and made up a cost estimate and sent it in to him and then I thought, maybe I'll just send George a copy. So as soon as George saw it he said to Red, you better build that. So we built it and gosh one guy could pick it up and stick it on there. But Red was. . . he knew the business, any trouble you'd get into around the well or you're uncertain about whether the people were observing the proper safety and everything, just phone him up and he'd know exactly what the problem was and the solution and everything.

#136 Jim: Did the Board have a pretty good reputation at that time?

Doug: I think they were just coming into it. Up until then they had no people and so companies were inclined to say, as soon as we get rid of these guys then I can go back to work. But they were just coming into it. As simple a thing as smoking around the rig. They'd smoke when they were running drill stem tests you know. They got away with things for so many years that they thought it would go on forever.

Jim: So you were sort of a policeman in a way too then weren't you?

Doug: Oh yes. You could shut a rig down right now. I never did but . . . because the guys out in the valley, it seemed like as soon as you would talk to them and it sounded like it made sense they'd do it. Up around Redwater they had lots of troubles. They had to shut several rigs down before they understood that it was a serious matter.

Jim: Would that have been at the Redwater because there were new outfits coming in that . . . in Turner Valley you had what. . . ?

Doug: Yes, 20 and 30 year men.

Jim: Yes. So once Leduc and Redwater and you had all these new operators coming in there so that was. . . ?

Doug: Yes. And Cody Spencer and G.P. and people like that, drilling contractors, we never experienced that type of thing, just a phone call and tell them that you're out there and the

guys are smoking up on the floor there. They'd always try to argue with you and say, well. . . you know, particularly Redwater had very low gas content to the crude oil so they would be inclined to say, hell, there's no gas here, it's safe. But it doesn't take much. Heck you can go out to your stove there and have a little leak and light up a cigarette and blow the house up.

#167 Jim: There was also, I was talking to a driller, in fact, Archie Miller, who drilled for a number of years down in Turner Valley and then went up to Leduc with Imperial and he mentioned that the problems encountered at Leduc and even perhaps Redwater, it was a whole different drilling environment and many of those people had to relearn. I wonder if that was part of the problem as well.

Doug: Yes, they went up there and like, Turner Valley was basically what, 8 to 10,000 foot wells, very gassy, sour, very light oil. Whereas Leduc then was 5,000 - 5,500 foot drilling and sweet gas, and prolific production because they had lots of gas to get it to the surface. So it was kind of in between and then Redwater was pumping, low gas content and therefore people thought, well, hell I'm safe, there's no gas around here.

Jim: Well, you didn't exactly make a career out of the Conservation Board. 1950 you went over to Home Oil, is that right?

Doug: Yes. At that time it was Bobby and Ronnie Brown ran the company, it was called Brown, Moyer??? and Brown. Jack Moyer was the Moyer. Then sometime after R. A. died, Bobby, this would be in '47, Imperial decided that maybe they could sell some of their properties in Turner Valley and use the money for development in Leduc and Redwater, where they had lots of land. So Bob bought . . . I guess it was a separate subsidiary, Foothills Oil and Gas I think was one he bought. He took United Oil in, he took in . . . what other companies. Then he formed what he called Federated Petroleums. Just kind of comparing the way he went at it to the way the Dome people went at their company. He always wanted shareholder control, he didn't want a lot of debt and so rather than borrowing money, put stock on the exchange and it sold real good as a matter of fact. So he built up his company with equity shares as opposed to debt. There's lots of schools of thought as to which way is the best but a pretty successful oil company especially when he merged with Home.

#216 Jim: Well, that's right. You were mentioning Bob Brown Federated in that they financed their company with shares rather than debt and I know that Canadian Superior did the same thing and probably most companies at that time. Can you recall any company in the early 50's that carried a debt load somewhat analogous to. . . well, Dome is such a classic example today or was that. . . ?

Doug: I think they're one of the few. Most companies I would say, tried to finance their companies expansion through their own shares. I remember at the time people talked about that. Don Walcott as I say, graduated with me and I used to see a lot of him, and they said, well, you're crazy using your own money, you should be using the bank's money. Bob just didn't believe in doing it that way. He really was an interesting guy to work for, believe me. I really enjoyed working for he and Ronnie.

Jim: How come you left the Board and went to Home, actually Federated at that time?

Doug: I think probably I would not have done it if I had known more about what plans they had or what direction they were going. As I say, Red was not overly communicative and George was so damn busy with his 3 or 4 jobs that he was trying to do. So I just got the feeling that I was down in the valley there and would be there forever, like Dick was. Dick King. And that was probably the main reason. I'm sure I got more money, I can't remember right now. But I've never been really great on money, especially when Mr. Trudeau takes such a big chunk of it anyway, it's kind of immaterial whether you get paid \$50,000 or \$60,000 a year.

#255 Jim: Who hired you at Federated, how did that come about?

Doug: Jack Hamilton, he was superintendent there for Federated. I worked for Jack really. I guess to a certain extent. . . well, Jack was the superintendent of the turner Valley operation and when we got drilling in Redwater and Stettler and places like that, Ronnie kind of took it over himself. So I really worked for him I guess in those cases. It was all so kind of dynamic anyway that it really wasn't all that important who you worked for. Building those batteries at Redwater, I'll never get over that. Bob. . . I don't know whether you want to get into the Federated thing right now or not.

Jim: Sure.

Doug: I got a phone call, Saturday afternoon and it's from Bob. When he wanted action, he handled it himself, he didn't turn it over to anybody else. He said, come into the office and I said, like now, and he said, yes, are you doing anything, I said, well, not if you want me. So I whipped into the office and what they were doing was they were evaluating a crown sale. The crown sale was on Monday and so John Carr, who was the Chief Geologist with Federated and I, worked the weekend, most of the time at Bobby's house and anywhere where he was handy. By Sunday afternoon we had things pretty well figured out and he called. . . I can't remember whether it was Crown Trust or Imperial Bank of Commerce but one of the two, the manager here and said, I need \$3,158,000 or some number like that. I don't know the exact number, it was 3 million anyway. Fine, that was good enough. So Scrimmager got on the plane the next morning for Edmonton and put in the bid and we got these 3 parcels, 3 quarter sections, right in the heart of the field there, really good things. In the meantime I had gone home to Black Diamond and got into the office after lunch because I was pretty beat. I was greeted by Jack Hamilton, he said, Ronnie wants to see you. I said, what now, he said, he wants those wells all on production and it must have been the June crown sale, the latter part of June, he said, he wants them all on production by the end of July. I said, christ, that's 30 days from now and he said, that's what he said. So I phoned up GP. This is when in the oil business and a lot of our outside people, people in our marketing and refining don't quite understand that you do things on a sort of a trust and personal working relationship. So I phoned up GP. . .

End of

Tape 2 Side 1

Jim: So you were given 30 days to get these wells on production.

Doug: Yes. That was oil in the tank to him. So we got three rigs, we had one rig on each quarter section, they just went around and drilled us 4 wells in 30 days. In the meantime, Bob Cohn???, which was his partner's name, at any rate they were with BS&B at that time, they formed their own company later on.

Jim: That's Bowler, Sherman & Bowler, BS&B?

Doug: Yes. But these two ran their operation up here in Canada. At any rate it doesn't matter, I phoned bob Cohn and said, I need 3 tank batteries. He said, what size and shape and everything else. I said, I think I better come over and sit down with you and we'll sketch something out, so we sketched out these tank batteries, how they'd be lined up and everything and of course, in those days, the farmers were a little more agreeable than what they are now. But we thought, gosh we've got to go and do something about the farmers, we can't just come roaring in on these lands. So John Scrimmager and I, John had a station wagon and I said, I think we better go up and talk to the farmer. Fine, he said, have they got any kids, I said, damn if I know, they're a Ukranian family, they probably do. So he goes by Acme novelty, I think they were in business at that time and he picked up bikes and tricycles, I couldn't believe it, you could hardly get in the car. So we whipped up there and the first farmer we talked to about the lease and everything and he agreed to the lease and finally John said, do you want to come out to the car and see what you would like for your kids, so he goes out and picks out a couple of trikes or something like this. At any rate they were an exciting outfit to work for. And they never had a bit of trouble with those farmers all the way through our drilling. They'd stick to the path they were supposed to. . . .and they had good crops, this was right in the middle of the crop season. But they went on production and by the end of July, I don't think we got all 3 batteries but we got a couple of them. One time at a meeting I was talking to Bobby and I said, why was there that big panic, that cost us some extra money drilling the wells that way and giant batteries and so on. He said, I'll tell you Doug, when you deal with a bank, they thing they like to see is that money coming back real quick like, I promised. .I can't remember his name. . . that we'd have some money in his pocket 30 days from when we got it. And that's the way he conducted his business and never, to my knowledge never had trouble getting money from the bank.

#042 Jim: No, he didn't because he went on to pursue some pretty ambitious activities.

Doug: Yes. But they were just good people to work for, very honest and above board.

Jim: What other activities were you involved in with them, do you recall?

Doug: We drilled a well up at Nevis, that discovery well there. It was really under the name of United Oils as I recollect, we drilled. It was sour gas and pretty good content, I guess it's still producing, I really haven't ever checked. But the Stettler Hotel in those days, Buffalo Hotel, was that what they called it, at any rate the Stettler Hotel, was the only place to

sleep or eat or drink or anything almost. That's where I met Elmer Burley???, he was with the Board at the time and he came up there. What you did was you come in in the morning with the order for supplies that you needed to pick up and everything, dropped those orders off, went to the hotel, put your name on the list for the telephone because there was only I think 2 lines out of Stettler at the time and a lot of drilling activity. Then you went in and had breakfast, well really brunch, because it would be probably 10:00 by this time and just patiently waited your turn to get on the phone. That's where I met Elmer, when we were testing that well. I guess that was the first time it really got brought home to me how quick that old H₂S can do something to you. You tried as much as you can, you put signs up or roadblocks, everything trying to keep the public away because they don't understand that it really is a lethal gas. And I was just coming out of the trailer and I looked and here was this man and his wife, a young couple with a small child and a dog and just as they were going by. . .or just as the dog, he went ahead, went by the tank that we had the ??? in there, there was a big surge of gas and the top popped open and that gas comes down quickly. Knocked that dog deader than a mackerel right now, just wiped him out. So I yelled at these people, the kid was going to go and see what happened to the dog, so I yelled at them and got them back in their car and off as quick as they could. You just can't fool around with that stuff. I guess we were kind of fortunate in a way, having worked out in the valley, we had gas mask training and all that really early on, so we had that stuff with us. But it sure works fast.

#088 Jim: You joined Sun Oil then fairly soon after didn't you?

Doug: Yes. On January 1st, '53. I had worked for Federated, it would be about 2 ½ years. It was at the time of the Home, Federated merger. Again, I knew that they weren't going to fire me or anything, Bob or Ronnie, but they were starting to bring in a lot of people from. . . Ian Drum??? came at that time and I had nothing against Ian but they kept bringing in people to take a lot of these engineering jobs which were probably a higher level than mine. At any rate I got this offer from sun and moved into the city here, over Christmas that year and have been with them ever since.

Jim: Just before we leave Home Oil, had you come across the report that Perved??? and Gertz??? had written on the gas in Turner Valley at all, were you familiar with that?

Doug: No.

#105 Jim: Okay, that may have been after you left then. Could you just sort of introduce sun Oil as a company in Calgary at that time and their parent?

Doug: Okay. They came up I guess about the same time as Canadian Superior or Superior I guess, and leased very heavily through Saskatchewan because if you ever look at a land map in southeastern Saskatchewan, you'll find Can Sup, BA, Sun, Imperial all sort of checker boarded, Imperial with the bigger slice. But the people thought southeast Saskatchewan was pretty good to them so they leased pretty heavily there. I guess to back up, that's not quite Sun's first experience in Canada, it was with. . .they had made a deal with the CPR. . . . Right, they made a deal with the CPR and Can Sup made a deal with the CNE for the railroad mineral acreage so we had quite a big strip all along the railroad

between here and Medicine Hat whereas Can Sup had theirs, they picked better than we did, along the Calgary-Edmonton railroad. And the one thing we did early on, I'm not quite sure why we did it but it sounded like a good idea at the time I'm sure, our Chief Landman from . . . we didn't have any people in Canada, the Chief Landman from Denver came up and made a deal with Frank McMahon and farmed out most of this acreage to him along there. Then has happened quite frequently in the oil business we turned around and farmed it back in later in. Oil companies sometimes make mistakes. But that was the first deal that Sun made and they really didn't have people here at the time. The first deal that we made when we had people here, I guess it would be in about '47 and we had Ned Gilbert, who was our Chief Landman for a long time, he was a geologist with the company out of the Toledo area, I think it was. He came up here as their geologist and landman and whatever else. I think I told you when you were here the last time about his experience on getting this drilling rig to drill a hole and he ended up buying the rig on his expense account.

#147 Jim: How did that work?

Doug: It was Cantex and the company knew them in the States and had done a lot of business with them. But somehow or other, I don't know, Ned would have to tell you the details, but they didn't want to bring a rig in here but we had to have a deep rig, this was a pretty deep rig that we drilled. So we brought it in and whether through customs or however we had to own the thing because they had no business entity up here. At any rate, they bought it back again so we didn't have the rig.

Jim: Worth about a million dollars or. . .?

Doug: Yes, in those days, a lot more than that now. Yes, this was a big rig, a big steam rig. That was the other thing, to go back to the question you asked earlier about the people moving from Turner Valley up to Redwater, the difference. They'd been used to drilling with steam and you can do a lot of things around the rig with steam and you get a diesel thing and you're getting all. . . you can't clean up your tools or anything, you've got no steam. Just all kinds of little things like that, that came up. So they had to rethink a lot of things.

#169 Jim: How did Sun Oil get the CPR lands, how did that work, that was before you were actually with the company though?

Doug: I think the CPR at the time. . . they had a name for their company because they had leases out in Turner Valley. . . but they weren't active and not really interested in the oil business. Taylor, I think, was up here at the time. So they were interested in farming out I guess and then Sun just gave them an override on everything and turned around and gave Frank an override on everything too.

Jim: How strongly controlled was Sun Oil here when you joined by their U.S. parent? I know for example, Hudson bay Oil and Gas really wasn't and some other, Canadian Superior was to a greater degree.

Doug: Yes. Can Sup probably more than us. It goes back to '53, the Pugh family controlled the company very tightly. . . I guess J. Howard wasn't the president then, Joe. Joe two eyes we called him, Joe the second, I think he was president at the time and then he died and J.

Howard took over. But budget wise, our budgets had to be all approved in Philadelphia. We would send down a contingent of people every year to get our budget approved. Once the budget was approved George Dunlop had pretty big expenditure authority. Something like the Tar Sand plant, things like that, he'd have to ??? for but King Shorter???, who was a geologist, was Vice-President of the Exploration and Production wing in Philadelphia so he liked to see all the geology, which is understandable I guess, if that's your background. But once the budget was approved, George didn't need to go back for anything. I don't even know the extent of the authority in those days, probably the order of \$1,000,000 or something like that but that's when you get beyond that you're into a pretty big project and I think any company would be having, Imperial or anybody else, would have had to go back and talk to their Board of Directors.

#214 Jim: Did Sun have much production here in 1953?

Doug: When I joined Sun they had just completed I think, about half a dozen wells out at Malmo???, which is just about straight east of Wetaskiwin and New Norway which is a little bit north of Malmo. So they probably had about a dozen wells and in those days it probably meant 7 or 800 barrels a day of production. And in their leasing program, earlier on we'd picked up some acreage in the Bonnie Glen fields, we drilled that in '53 and got four really good wells. That made a big difference in the production.

Jim: You mentioned a rather interesting, last time, distribution of power on the Board of Directors of Sun Oil.

Doug: Well, there was J. Howard and he told this story before 500 people at the official opening of the Tar Sand plant so I'm sure it was true. He said, when we decided to go ahead with this plant, it came up before the Board of Directors and we have 13 members on the Board. He said, 12 voted one way and I voted the other so we built the plant.

#242 Jim: Oh that goes further ahead to the plant then. Okay we jumped ahead a little bit.

Doug: Well, just generally all the way through, even now, the Pugh family still has a lot to say about the overall direction of the company. The President we had 3 or 4 or 5 years ago, he decided we should do a lot of diversification and he picked up a company that was . . . there was nothing wrong with the company, just the way he had done it I guess, no fully revealing all the facts. So Mr. Pugh got a Director's meeting called and decided he needed a new President and called these people up and said, that's past, we aren't going through with that deal. He still has a fair amount to say about what goes on. Well, J. Howard is dead now and so is all of that generation but younger ones are more inclined to be interested in running the trust funds and various things like that. So Mr. Bob Dunlop who used to be our President years back, when I joined the company he was the President, he still goes in and votes their shares. Kind of an interesting set up. I guess the Kech's??? were pretty close to the same thing, they ran the company but they ran it with a little different moral principles.

#280 Jim: We'll just stop here for a second.

16 Doug Brown

May 1984

Tape 2 Side 1

End of tape.