

PETROLEUM INDUSTRY ORAL HISTORY PROJECT  
TRANSCRIPT

INTERVIEWEE: Jim MacDonald

INTERVIEWER: David Finch

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DF: Today is the 9<sup>th</sup> day of August in the year 2001 and we are with Mr. Jim MacDonald of Danmac Resources Ltd. He lives here in Calgary and we're having the interview at the petroleum Club in downtown Calgary. My name is David Finch. Could you start by telling us when you were born?

JM: September 5<sup>th</sup>, 1926.

DF: And where was that?

JM: In Winnipeg, Manitoba.

DF: Tell us about your childhood.

JM: I went to public school in Winnipeg, Isaac Brock, Daniel McIntyre and lived in the same house all of those years, 16 years in total.

DF: And tell us about your university.

JM: I then, or my family, moved to Montreal. These were the war years of the 1940's and at that time it was difficult to get a place to live in Montreal so I was asked if I would go to boarding school. My mother had a friend who suggested a boarding school down in Nova Scotia, St. Francis Xavier University. The recommendation was it was a great place for boys and it didn't put up with any nonsense. Most importantly I think, it was less costly than trying to set me up in Montreal.

DF: Were you an only child or were there other children?

JM: No, I have two older sisters. So I was the youngest and the only boy.

DF: How did you find St. Francis Xavier for a school?

JM: I went down under the rule that I would remain at least one year and within that year there could be a change offered to me. However I enjoyed it so I remained for the four years and got my Bachelor of Science degree down there.

DF: What got you interested in geology?

JM: Well, we had a geology professor at the university called Rocks McNeill, what other name, and he used to put on movies showing earthly phenomenon like volcanoes and glaciers and just in general talk to people. And anybody was welcome to attend. So when I graduated I came back up to Montreal, that was 1948, and I went to McGill University and took geology. I spent two years at McGill and then I was offered a job in Regina, Saskatchewan by Tidewater Oil Company. It's rather odd because at McGill of course, we learned to be mining geologists, or academic geologists and knew nothing whatever about the oil and gas industry. One of my classmates was very interested in oil and gas and he asked members of the class if they would write American oil companies seeking a job. I was given a list of three companies and asked if I would write to them and request a summer job at the minimum, which I had requested. One of those companies was

Tidewater Oil Company and they immediately responded and said they had an operation in Regina and if I would go to Regina and stay a minimum of three months they would pay my fare out and back to Montreal. Needless to say the pressure from the classmates was extreme. Mac, quit here and go out there and find out and then tell us all about it. That's how I got in the oil business.

#040 DF: So what did you do that summer?

JM: I was in the office first, plotting shot points on a seismic map, which I found terrible. However I was sent to a well site within what, about 2 or 3 months, with a Mark Turner, who's been a long time member, who instructed me and introduced me to well site geology. After that well was finished I was asked if I would go out on a well by myself. And I said, sure and of course, the attraction was, they immediately gave you a vehicle and an expense account. Now an expense account plus salary, in 1951 or so, that was something.

DF: What was your salary?

JM: I think somewhere in the order of \$200-225 a month, which was barely enough to live on, all you could do was meet your expenses. Nothing that you could set by. However after going on well site and spending a couple of years at that in travelling around, yes, I had a few dollars saved. At which time I considered returning to university but I was instead offered a job in the office and I thought, here's where I might learn something about, what is a play and how do they arrive at it. I had no knowledge of it up until that time. I guess one thing I had learned on well site was, there was a wonderful book published by the Colorado School of Mines called Subsurface Geological Methods, which talked about well site, seismic, all the tools that were used and that sort of half educated me to what it was all about. But not necessarily play making.

DF: Do you remember the author of that book?

JM: No, I do not. As a matter of fact, it would be a compilation of many authors. And I kept that book for many years.

DF: So the fellow who took you out on to the well site, what did he teach you on the spot?

JM: How to log samples, cutting samples, how to pick tops. You know, you had a guide log on which they noted various tops throughout the western Canadian basin, which were wildly out of . . . well, the reality was, they were nothing more than a guide. Your tops were never anywhere near what they predicted. So on a well site at that time you had to learn to recognize the change in geology as you drilled deeper. That was basically a good job because it allowed you to make decisions, in fact you were forced to make decisions in those days. Because of the inaccuracy of the guide logs you had to watch for oil shows, you had to then shut down the drilling and proceed to coring or testing or both and I think that's what gave you a sense of responsibility.

#077 DF: So that was your summer job, did you go back to university then?

JM: No, I did not. And have never since. Pardon me, with one exception, yes, later in life I did.

DF: So you just stayed on with Tidewater?

JM: Yes. I went into the office and I did subsurface geology and reservoir. At the time, Tidewater I think starting in 1953, after several years of drilling strictly dry holes, they actually had a run of good luck and they found, I think the principal field in Saskatchewan to this day, Dollard, and it's probably one of the outstanding fields in western Canada, it's in southwest Saskatchewan. They found the Instow and the Frontier fields and then in the southeast they found some Mississippian oil fields. At the time Dollard was a discovery I had the well site and I had a new student. I actually had three wells to look after, I had the Dollard discovery well and the Frontier well and one in Instow, which also became a significant field. Most of my time was spent driving among 3 fields. The discovery well there at Dollard was sat by this student out of the University of Saskatchewan, a very recent graduate and I was attempting to supervise him and when I drove on the well site he told me the oil sands were coming across the shale shaker. I said, my god, what did you do, he said, Mac, I didn't do anything, the driller told me I better quit drilling so he quit drilling and he's just sitting circulating waiting for some orders. I said, one of the things a geologist on well site got hell for was having a driller write in his book that he was waiting on orders, not doing anything. I immediately went up and started him coring. And then of course, we went into normal procedure of drill stem testing and that was an outstanding discovery. I think went into the office and mapped that and picked the subsequent development locations, which I enjoyed very much. Then I went into the, we had a reservoir engineer there and I worked with him on picking further development locations and how best to exploit the oil field. And I think Dollard was the first field possibly in western Canada, to institute pressure maintenance. Now our advice was out of a consulting group in Houston. They did some modelling and suggested that we do pressure maintenance on that field and that would enhance the recovery of the oil, which it obviously did and they have had exceptional recoveries.

#113 DF: Great. So where did you go next?

JM: I went into the office in Regina and did subsurface geology, as I previously mentioned, reservoir engineering. And then I had an offer from one of the companies, Tidewater was the operator for four companies, Tidewater Oil out of San Francisco, which initially had hired me and Columbian Carbon, I don't think they're in business to this day and Atlantic Richfield and the old Ohio Oil Company. Atlantic Richfield had an operation in Venezuela and I was asked to go to Philadelphia, which was their head office at that time, to interview for a job in Venezuela, if I was interested. Well, they would pay for my trip and what could I lose. I went down and interviewed and when I looked at the dollar figures, you know, Venezuela had no taxes to speak of, I think your salary were charged something like 1 or 2% in income taxes and your banking was done in a bank of your choice in the U.S. So I selected one in Philadelphia and again, you only drew what monies you required to live on in Venezuela. So I immediately jumped to that conclusion, here's an opportunity to put some bucks in my jeans. Because wages were minimal in those days and really, your savings to do anything were so negligible. They probably did have UI in those days but I don't think there was any social platform you could access. So we always thought in terms of looking after ourselves. Anyway I went on down there and

of course, the first thing you know, they put me in the surface geology. I had to learn the geology of Venezuela and I already described to you some of my mapping expeditions there. Then I went and I sat some wildcat wells, their first ventures in Barinas. I drilled three wildcat wells in Barinas, one of which had some shows in it, but overall, not a successful venture. Then we went east to sit some wells in eastern Venezuela, where they had production and where they had a camp, Tucupido camp and Tucupido oil field. That was Atlantic's principal camp outside of Caracas. After a year of doing that kind of work, I was then transferred to the Caracas office and I did subsurface geology there. I came of the opinion that oil was easy to find in Venezuela after that experience. The combination of seismic and subsurface geology was really two excellent tools to find oil. Your probability of success was very high, principally because you could locate structure and with pliomocene sands, they were usually multiple sands that carried oil and/or gas. So you had multiple targets and that certainly helps your probability of success. The only overriding economics of that was, while you needed substantial wells, even in those days, they really weren't interested in anything less than, say, 1,000 barrels a day. So your challenge really was to find fields that would put out 1,000+ barrels per day. And that's why we were interested in Maracaibo. In Maracaibo you could look at 5,000, 10,000 barrel a day wells, in a similar type section and similar type traps. I had developed quite a confidence there of being able to utilize the tools I had in hand at that time then, to find oil and gas. And it was challenging, a new culture and maybe more importantly David, was the fact that after a year, my god, I discovered, I had money in the bank. I think that was the first time in my life. And after three years working there I had a few grand in the bank, so I was very happy about that. However, as you are aware, the revolution occurred and companies such as ours, Atlantic Richfield, simply sold out and either transferred or terminated their staff. That was in 1959 and I was offered a transfer to the Calgary office, which I took. I left Caracas and arrived in Calgary and within two weeks I was assigned as an Atlantic Richfield geologist to a J. C. Sproule party in the Mackenzie mountains. So I found myself going from a tropical climate to a northern climate in the month of June with snow on the ground in the Mackenzie Mountains.

#179 DF: Who was the Party Chief?

JM: That was Stan Harding.

DF: Any stories about him, what kind of a fellow was he?

JM: I thought Stan ran a very good camp and crew. They had mapped out a plan and had assigned all of us certain areas and jobs and it worked very well. We worked with a helicopter, we had the old J-1-C I think it was or J-2, Bell helicopters, the old bubble helicopters that were developed during the Korean war. And they were fine except at high altitudes. They were basically under powered for mountain work. But we did succeed and we did cover the Mackenzie Mountains from literally, the Mackenzie River west to the Knorr Range. Now on that party of course, we were looking at sections. We were interested in determining the thickness of various intervals and whether they were reservoir rock or source rock and structure was of minimal importance. Basically stratigraphy and sections that we could measure and describe.

DF: And how long did that last?

JM: That was a summer season, we finished up the last week in August I believe and then came into an office in Calgary and helped for a limited time in preparing a report. And then the Atlantic Richfield people, they were all American at that point in time, they felt that the following season we should map the Knorr Range and the Richardson Mountains and I was assigned to a team to prepare a program for the mapping of those mountains, similar to what we had done in the Mackenzie Mountains. So the next summer we did go out on that. And we had a group helping us on that called the Geophoto Group. They no longer are in business, they had an office in Calgary and they provided aerial maps, photo mosaic maps of the Knorr Range and Richardson Mountains. In those days maps available from the government of Canada were very few and very sparse and only contained very major streams and broad outlines of mountains, so photo mosaic maps were better than topo maps or any kind of maps available at that time. And also the beauty of them was you could fly, you could fly at fairly good speeds. Like you could use a Cessna, flying in at 100-110 or 120 and follow the various topographic features quite easily. So you could pick your sections and your campsites. And then we had stereo pairs of a large scale from which we could actually pick out the sections and landing spots. That combination of a fixed wing aircraft and a helicopter gave you free access to any place up there and that was quite remarkable in those days. So the combination of Atlantic Richfield people and Geophoto people, we produced a report in the Richardson Mountains. The following year then, we were told we'd have to do the Franklin Mountains, which are on the east side of the Mackenzie Mountains. And we would do this on our own, we'd had two summers with the help, assistance and advice of consulting groups that were specialists, so I ran a party in the Franklin Mountains, in the third summer.

#236 DF: Any adventures there, any bears?

JM: Yes, although we were always concerned about bears so with the helicopter, when we'd chosen a site to do our section measuring, we'd scout it first with the helicopter and if we saw bears we would chase them off with the helicopter. That was ver effective, they were terrified, early on at least. And so we'd simply run them off out of the area. And then we'd land and work by ourselves all day on the section and never had really, a hostile encounter. On that particular crew though, we did crash on a helicopter. We took off from a valley and it was one of those light helicopters again, the J-2's or J-3, no, not the J-2 at that time, your bubble one and it didn't have that much lifting power and we were in a valley and had high trees bordering that valley. My partner at that time was Marvin Mangus, he's an American, he's currently in Alaska. Marvin was heavy, by heavy I mean he's probably 210, the helicopter pilot was a pretty good size too, and I was the light guy so I was in the centre and it would only carry three. And the gas tanks were over your head, above the bubble and back of the bubble. The pilot simply misjudged his lifting capacity and we got started and he lifted up and he got about 50 or 60' above the ground and then he found he didn't have enough power to lift but you know, when they take off they tend to move forward so he had moved up the valley and the valley narrowed. So he

couldn't get out by following down the valley, he then attempted to back up the valley. Well, trying to back up a valley with 60' trees on either side and those mountain valleys there, in certain areas, could actually grow trees of that size, even though this was above Artic Circle. And by god, one of the blades hit one of the treetops. The old blades, it was a two bladed, they were composed of balsam wood wrapped with like a tape. So it was quite a funny experience because you could see this blade, the tip of it hit the treetops and of course, it immediately sheered off the ends and then the ends began to shorten down, shorten down, until you got to the hub. And at that time of course, boom, we just dropped. But we were very fortunate because it was into muskeg and so you buried the front end of the chopper into the muskeg and sort of on one side. So the door, there was only two doors and the door on the pilot's side was the only one to exit the damn thing and the motor was still going and the dump??? still whistling. So I reached over and got the ignition off and the pilot was a little dazed but he finally managed to clamour out and I was quick behind him for sure. Marvin was the last out, the one on the shut side. But nobody was hurt and we were not too far from the Mackenzie River, so we elected to walk from that site to the Mackenzie River because traffic on the Mackenzie River was pretty good, Indians and barges traffic up and down the river. So we thought we'd pick up a barge or a canoe and we wound up spending the night out there regardless. The next day anyway, an Imperial Oil helicopter picked us up on the shoreline there. So it wasn't a bad experience. So anyway, we got another pilot and another chopper and we finished the Franklin Mountain report. Came back into town that is, after that and then I was transferred to Dallas.

#294 DF: What did they do with that chopper, the one that went down?

JM: I think they took the motor out and removed it by another helicopter. It was not a place where they could lift any loads out or bring a crew in to bring the whole machine out but that was my understanding, that they removed the motor only and left the rest of it. Well, it was a write-off.

DF: So when did you go to Dallas?

JM: That would have been in '61.

DF: And you've been down there a couple of times you say.

JM: Yes, the first time was '61, it would have been early '61, if not '60. I may be a little vague on that, very close by David. And I was assigned as a staff geologist. I enjoyed that job very much because it was a job whereby you saw all of the plays and all of the decision making for the Atlantic Richfield Company and they had at that time, several offices in the United States, they had an office in Lafayette and Midland and Corpus Christi and of course, the Calgary office. In order to get money to conduct a seismic program or drill a well, buy lands or enter into agreements, you have to write up a report justifying it and those reports would go to the Dallas office and the staff geologist was then obligated to take these reports and present the petition or request to management, which used to meet once a week where they had the VP of exploration work, Dow Hamm was then the VP.

And they had a Chief Geophysicist and Dow Hamm and they would have a senior landman, Vice-President of Land and they would ask you questions about this play. Of course, you, as the staff geologist were supposed to have been able to learn all the questions that they'd ask you. So they'd have fun with you asking these questions and then sometimes they'd ask until they failed you, if you will. I think that was perhaps the best job I ever had because the challenge or presentation. But also seeing how a variety of people presented their arguments from the geological, the geophysical, the land and the economic side. I had never seen this done previously and I think it gave you the necessary tools and perhaps even judgement to know what it takes to make a play and what will sell to them. So I was there just approximately two years. One big event in that time, I got married. I was married in Dallas. Needless to say, I had met my future wife Joan, in Calgary and surprise of surprises she came down to Dallas and we got married, so I had no out David. And our first child was born in Dallas. And then of course, we were promptly transferred back to Calgary. At that time I was made a district geologist, it was perhaps the first, well, it was the first junior management job for me. We were assigned a district and of course, our duties were to produce plays and recommendations, to undertake seismic programs and drill programs and land acquisition and in that capacity you work with a district landman and a district geophysicist. And so each of you would make your contribution and then a letter would go out recommending this. In those days the Dallas management team would fly to Calgary, twice yearly and you would tell them, or prepare a budget for them, how much seismic you would need for the forthcoming year, how much land, how much drilling, how many personnel, what kind of personnel budget was required. Then they'd come up in six months and say, how have you done, how much have you spent. Of course, when they came up in six months you always asked for more, that was the rule of the game. But sometimes yes, they'd cut your budget for seismic and/or drilling or personnel. So there was quite a close supervision by senior staff out of Dallas, certainly on the budget basis. So we rocked along like that for awhile and then Atlantic Refining Company took over Richfield. Initially I told you it was the Atlantic Richfield Company, well, it was born first and my first job was with Atlantic Refining Company. Then somewhere in the early 60's they took over Richfield and it became Atlantic Richfield. So we then had literally double our amount of lands and some Richfield personnel joined our group. That was perhaps the most significant change at that time, about the mid 60's. Then a couple of years later, being now around '67 or '68, they acquired Sinclair Oil. However there was no name change. Now Sinclair, as Richfield had substantial land holdings and some production and a fair amount of seismic and staff here in Calgary and that was integrated. Then about '68 or '69 I was made Vice-President of Exploration for Atlantic Richfield Canada. I was in that position until 1972 but in 1971 Atlantic Richfield management had changed rather significantly and we had for our new President, a Harvard Dean of Business. Coming into the oil and gas business, you can appreciate that background and I'm sorry I can't even recall his name but he had a tremendous influence on the company. Remember everybody in the past had been specialists in engineering geology, geophysics, land and as far as being able to write good reports or to express themselves in a manner that was readily understandable by most

people, it was totally lacking. You know, a science engineering background is not a great background for writing good reports. So I guess one of his first moves was to start an educational program and one of the first courses he put on was practical English and he hired a professor of English from Harvard, Russ Switzer, I'll never forget his name. Russ was the penultimate English professor and he certainly recognized a lack of capacity in writing reports and letters and so he visited all the operations of Atlantic Richfield and put on a course, practical English and produced a book, which I have to this day, with about 20 odd chapters of how to write a letter. It was just excellent and had, I think, a very positive influence on me. Also, well, beginning before Russ Switzer, even among the technical people, you know our schools in Canada were deficient in teaching geology in the context of oil and gas exploration. I think that's a fair complaint, in fact some of them didn't really offer a proper stratigraphic course until about 1960. Therefore the company used to hire geologists and they were all U.S. ones, to put on special schools for us, like carbonate schools, clastic schools and these schools would last 2 or 3 weeks. They'd fly you, like the clastic school was a 3 week school I believe, and it ran all around the Gulf Coast and the southeast coast of the United States and the west coast, California, demonstrating like, turbidites in California, Gulf Coast tertiary sections, southeast Georgia tertiary deposits and how the different deposits are formed in the present, so you could relate what you see in the subsurface to what is there today. And we really became almost an education company because every year you were obligated to take some school or other and all of them were excellent. I think Atlantic Richfield was one of the first, not the first obviously, Exxon and Mobil, Chevron, the very senior companies had very excellent ways of training their personnel. But Atlantic Richfield may have been one of the first, if not eh first to hire outside consultants that had gained reputations in clastics and carbonates and different aspects of exploration. Also courses in seismic and magnetics and gravity, all these great things that simply are not present in our, and in most U.S. schools too. And then, because you'd reached senior ranks, another of their schools was, they said, you have to go to a business school. And you had a choice, you could pick your poison if you will. So in 1971 I went to the University of Southern California and took what they called their executive program. Once you signed up for that, starting I think the first of the year, they sent you a reading program, something like Athabasca University would do. Like, I had to read half a dozen books a month that they sent me and I had to review them and give my comments on and this went on until the actual academic exercises began and then they were 6 days a week in Los Angeles. And of course, in that I took such mundane subjects as accounting, political science, yes, and statistics. In other words, sort of what they would have for their business program at USC. And I found that a wonderful course. The end of it, it was approximately 6 weeks there, that would be like a semester at college. The most noteworthy thing about that was they had one hell of a party for all of us and our wives. They flew Joan and my three kids down to San Diego and we had a big party out on an island off San Diego at that big old fancy hotel there. Anyway, the Dean of the business school there was asked to comment on each of the participants in this course and there was something like 12 of us and there were 4 or 5 international students, myself and there was a chap from Denmark, who was a

writer incidentally for a Danish newspaper, a daily newspaper in Copenhagen. I saw him after that, some years later. And a guy from Israel who was with the Israeli Aircraft Corporation, quite a mixed bag if you will. Anyway when he came to me he said, Mac, you won't be with the company too long. I didn't know how to take that, as a good omen or a bad omen. But anyway, I enjoyed it thoroughly and I think I learned a great deal and it was my first introduction to politics, American style and the fact that most of the positions were bought. Like our professor ran a consulting company in California and he didn't mention names but all of the class concluded that he ran Nixon's campaign for Governor of the state of California. And what I also remember from that course was the fact that when you went to him to run your campaign David, if you just wanted to be a state legislator you needed maybe \$25,000 but if you wanted to be a state Senator it might be \$50,000, if you wanted to run for the Congress, it might be \$100,000. So up front his first thing was, can you raise or access x thousands of dollars. If you passed that then he took you on.

End of tape.

Side 2

JM: Pardon me David, I made a mistake, it wasn't Nixon, it was Ronald Reagan. And he used to comment regularly about his campaign as an example of how to run a political campaign and I was fascinated simply because it was totally new to me. I never had taken an interest in politics in Canada. But his second demand really was, that you keep your mouth shut. I mean, he wrote this on the board, x dollars, keep your mouth shut, and #3, follow his directions. And he cited always as an example, the qualities that Ronald Reagan had, name not mentioned. I'm putting Ronald Reagan's name in there. But one of the reasons he said why you keep your mouth shut was he said, we provide cards with written questions and answers on them, what is your position on the missile crisis or whatever would be the questions, under that would be your response and you were to give it letter perfect. And he said, I'd produce a set of these cards for Mr. X and he'd disappear for 5 minutes and he'd come back and then we'd have our skills in the audience ask, Mr. Reagan, what do you think of the missile crisis and he'd deliver the response letter perfect, and isn't that a perfect example of a perfect actor, that could read his lines, remember them and deliver them in a way that you and I believed that they were his thoughts. Of course, we have a different system here, perhaps more corrupt because they don't have to learn it.

DF: So how did you come to be associated with the CSPG?

JM: I was a member of the CSPG since Saskatchewan, pardon me, I was the Saskatchewan Geological Society. When I came to Alberta I joined the Alberta Geological Society. And I had joined the AAPG, the American Association of Petroleum Geologists. When I took that program at USC in '71 and in '72 I was transferred to Dallas again and I was managing their frontier district, which was basins in which they did not have production at the time and these were the offshore United States, excluding Gulf Coast but including

Florida, the Atlantic Seaboard, the California or Pacific coast, an occasional basin in the United States proper and Greenland and the Arctic Islands. That's when we drilled wells in Greenland, or prepared for the drilling of wells in Greenland and in Ellesmere Island. And then we had partners, we had partners in the Greenland expedition. I might say that why we got involved in Greenland was, Atlantic Richfield drilled the discovery well at Prudhoe Bay and they found a rather unique stratigraphic section in that well. Ever after that, Atlantic Richfield wanted to hunt elephants, they were not interested in fields the size of which you're now finding in Alberta, or not finding and in the United States. Their mature basins and anything of substantial size has been pretty well looked at. So they were looking in new basins and they found similar geology on the east coast of Greenland. They also found similar geology over there in Britain, the North Sea, so they opened an office in London, England and actually drilled one of the first discovery wells in the North Sea. Never got in on the big discoveries because their first discovery was gas and there was no market, no infrastructure. It thoroughly discouraged them. But in Greenland we found some wonderful section, but Greenland is ice prone and iceberg prone. It has a lot of problems. So it was really a non-starter. Anyway I went to Greenland and yes, I used some of my old technology, I had photo mosaic maps again and stereo pair of photos and I flew in from Iceland. We chartered a plane in Iceland, in Reykjavik and flew from Reykjavik, it's the capital of Iceland, to Maestervig on the east coast of Greenland. Yes, I went out with a party of geologists, one of whom was Austrian and one who was German, one who could speak a little English and spent a few days there. We had a field party there that measured section, actually found sections in which we had that interest in. But no big discoveries David, nothing to shake the world at, in fact, just a big write off if you will.

#061 DF: What time period was this?

JM: This would have been about 1974. And in '76 I was transferred back to Calgary. Now the logic of that one was, Atlantic Richfield was developing the Prudhoe Bay field, I think it was discovered about 1967 and nearly all their resources were drained to meet the huge capital requirements in the pipeline plus the development and putting onstream of that. So they elected to sell Atlantic Richfield Canada and who do you know was their first buyer, was Petro Canada, was established and the first acquisition was Atlantic Richfield Canada. Part of the condition of purchase was that Atlantic Richfield would provide staffing, so Atlantic Richfield went through their roster of Canadians and my name was among several that popped up so I was elected to go to Canada. So they said I could go and interview with the principals of Petro Canada, Hopper and this name which always escapes me, was kind of a free wheeler for the Liberal party, he was the first President, I don't know if you can remember his name, I can't. It's certainly forgettable for me. I met these two people and I thought, remember I'd come from a technical background, my only introduction to politics and other things was at University of Southern California and I thought god, this is terrible. Neither one of these people, well, Hopper is a geologist, I guess he had worked for Imperial Oil for a limited period of time, enough time to decide that neither one liked the other one and he should leave. And so I was at some cocktail

party here in Calgary and saying, god, I don't know about this Petro Canada thing, I'm feeling a little queasy about joining this. I went back to Dallas anyway and I told my supervisors, I'm not that sure about that outfit and I'm not very happy about what I see, I think it's political. They said, no way out Jim, we've made a contract, you're it, you're going. Somebody here in Calgary, persons unknown, gave my name to a headhunter who called me when I was in Dallas and asked me if I would interview with him when I was in Calgary next, which was going to be shortly, I had to make several trips. And I said, sure, what the hell, I came here and I had this interview. Then he said, would you mind taking a variety of tests, I thought oh god, this was '76, let's see how old is that, I'm 50 years old and I have to take IQ tests and personality tests and whatever the hell they have. I said, how long is it going to take, not very long, not very long, okay. So my god, he gave me test after test after test. I just was ready to throw up my hands and he finally saw this and quit and then I went on my way and he went on his way and then I was asked, no company name was mentioned, I had no idea where this was coming from and he wouldn't tell me. So he phoned me later and he said, well Mac, you passed the test. So what does that mean, I passed the test. Well he said, this company wants to talk to you, I said, what company is that, he said, Dome Petroleum. I thought oh god, what do I know about Dome, nothing. But I went to one of these finance services and I got the write-up on them and they were an independent and I thought well, if I go on my own some time this would be a nice transition, maybe that would be all right. So I came and I talked to Jack Gallagher and I talked to John Andriuk, and I talked to Bill Richards. They weren't offering me a hell of money. But Jack Gallagher said he'd give me a stock option. Well, I certainly knew what stock options were but remember in 1976 you had a hard time putting a value on a stock option. Today you know a hell of a lot differently and a lot more. So I talked to John Andriuk I remember and I said, gee, John I don't know, what does this mean salary wise, I'm not looking at a great deal and what's this stock. . . he said, Jim, take it. I think that was all John said, just take it. So I followed his advice, I took it and I just handed in my resignation to Atlantic Richfield. I handed in my resignation, I think about July 1<sup>st</sup> of 1976, I think it was July because the takeover was to be August 1<sup>st</sup> or whatever and there 30 days approximately, before takeover by Petro Canada. So my resignation went in. The words of Fred Hildebrandt who was the President of Atlantic Richfield Canada at that time was, you can't do this Jim. I remember those words. I said, well, there it is Fred. He wouldn't talk to me after that, he was so mad. So that's how I joined Dome Petroleum. In the fall of 1976. And I stayed with them until 1983. And I had a wonderful 3, 4 years but it changed dramatically, just dramatically and I certainly wasn't happy in the last couple of years.

#134 DF: But can we take your story to where you became involved with the CSPG?

JM: Okay.

DF: WE need to talk about your years on the executive and your year as President.

JM: All righty.

DF: So can we go a little bit faster, from Dome where did you go?

JM: I stayed with Dome until 1983 and in 1982 I was asked if I would Chair the convention.

The AAPG was going to have a convention in Calgary and I was asked to Chair that convention and it came right out of the blue, kind of a surprise to me. I was still with Dome but Dome was on the slide at that time. Anyway, considering it all, I elected to say yes. This was for the AAPG and it would be their first convention, second convention in Canada, their first one was in Toronto, maybe 10 years prior to that, something like that, 10 years or more. And they elected to have it in Calgary and asked me if I would Chair that convention. So I talked to the CSPG executive at that time, I can't even tell you who it was and we decided to write a new contract, that if we were going to manage this convention for the AAPG in Canada, the CSPG should get a cut of the winnings. None of us really had a good idea of how big the winnings might or might not be, or losses. There was some trepidation on the part of the CSPG executive, as you can appreciate. That if there was a loss and they had to share in that loss, CSPG finances were close to the bone. Anyway, we did write a contract for a share of the winnings and I think it made a substantial contribution to the CSPG at that time, it was handsome. And it was a very successful convention. We had something like 8,300 delegates come to it, which was a near record at the time for conventions for the AAPG, brought in a lot of money to the city, met Mayor Klein at the time. He was the mayor and he addressed the convention, after me of course, David. And Klein was helpful actually. We had to ask his help because we had to provide so many rooms if we were going to get so many visitors, we had to guarantee so many rooms. We wound up having to go to Banff and also we had to drag in peripheral motels, hotels from around the city that weren't anxious to tie up all their rooms from something they'd never heard of before. So I met with Ralph Klein in the mayor's office and he said, well, how can I help you and I said, well you can do a little arm twisting with the hotel group here in Calgary, that's what we really need from you, to provide the number of rooms so I can guarantee our delegates x number of rooms. Okay, he said, you write the letter, so I wrote a letter and as you can appreciate David, it was cut and dried, I want this. . .and it went to his office and they rewrote the letter beautifully I might say, and he signed it and I got my number of rooms, I met with the hotel association chief at that time. Anyway, we had a number of oddities like that to deal with and it was very successful anyway. The bottom line was it gave the CSPG a nice chunk of money.

#177 DF: And the year was?

JM: 1982. Now following that, I can't think of anything special that I did for the CSPG. I was asked once in that interim period there, from '82 to about '91, if I would run for CSPG executive and my first response to the first request was no. I thought Dome had folded in '83, I had formed my own company in '83 and I was sort of trying to get my own things going. I had spent a lot of time on that convention and I could see this could perhaps take a lot of time again, and couldn't afford it. So I didn't do anything for the Society until about '90 or '91, when I was asked again if I would submit my name. So I said yes at that time. So I think it was '91 I was elected to Vice-President.

DF: It would probably be '90 because '91 you were President.

JM: Okay. Thank you. All right, '90 then. And you automatically become President the

following year. In other words it's a year of internship.

DF: Right. Ed Klován told me he was rather sick the year he was President and that you took over some of his duties, do you remember that?

JM: Yes, yes, very well.

DF: So you were taking over duties a little sooner than you expected.

JM: Yes, so he trained me very well.

DF: So you were President for two years.

JM: In part yes. Ed certainly lent his advice and counsel. That was certainly a major part of it really.

DF: What do you remember as highlights from the time you were on the executive?

JM: I think the first, what I considered big decision was the staff at the time, we had a couple of gals, one old gal who'd been there for many years said to me one day, Jim would you come with me down to the basement of the building. We were in that old Calgary Herald building and I said, yes, she was elderly and I was elderly so okay. We went down to the basement and my god, there was basement storage there, there was rack after rack of publications of the CSPG, floor to ceiling and she said, we've rarely ever come in here for anything, practically never. In fact, I've started a second room and I discovered right in the beginning that authors have a lot of pride, David, you'll take umbrage perhaps at this statement but if you figure from an economic viewpoint that maybe 1,000 copies of their memoir should be printed, say, come on now, it should be at least 2,000 or 5,000. So you might say weak executives in the past had always acquiesced so if you sold 300 books you had another 700 in the files and over the years maybe a few would go out and reduce it maybe to 600 but they sat there for years and years, there was collections there. So I talked I think, with Ed Klován on this one and I said, god I don't want to be accused of book burning but I would simply dispose of all those books. Well we tried to give them away but nobody would pay for them, libraries, if you'll package and send them and mail them. Of course, third world countries would be delighted to have this but no, so it cost the Society lots of money to do it. So anyway, we made the decision, although I would credit Ed Klován with it, to reduce the size of inventory. And then after that we were probably unusually hard on publications. My contribution would be in a dull administrative manner David. An Ed Klován would be more imaginative in developing memoirs and publications that should be done. What I could bring to it was maybe managerial expertise. And I suppose if I had anything to conclude from my exposure was I perhaps, streamlined their decision making and brought the books in balance, they were in debt and managed to integrate AAPG, CSPG conventions, which have, I think, buttressed the income cash flow of the Society ever since. I'd hate to think that if their conventions don't yield considerable gains in the forthcoming years that they'd be in debt again, because they of course, you start to spend up to your level of income. But for publications and writeability and that sort of thing, no, I would rate myself a C or a D in that category.

#245 DF: Did you have a chance to review the annual report that I sent out, the things that you did. There had been a small reduction in the number of members, the industry

was downsizing at that point. Just have a read through that and see if there's anything else that pops up.

JM: I think we also passed the ??? to support graduate students. At that time, because of surplus geologists we had to try to help worthy students and work to fund them and to canvas companies to accept students. And that kind of follows on this, provide opportunity for new geologists, new graduates.

DF: Were there any contentious issues the year you were President?

JM: We had weekly meetings at which we decided budget and we had perhaps, lengthy discussions on office lease renewal came up and there was a canvas of alternative locations and costs. They became controversial but we elected to stay where we were from a cost and location viewpoint. Staff, needless to say, the people that were elected along with you, you lived with them and not all of them pulled their load. I know we had to supplement or compliment people on jobs, not fire anybody, you couldn't exercise that but there certainly was reason to replace at least one executive member for non-performance. And as a manager of course, that comes to mind right off the bat and then reason comes into play when talking to people, hey, that's not your prerogative. That's perhaps a weakness too, although the way around it is to find a substitute, an alternate. And that was a good managerial play if you will. But no, nothing earth shattering David, I can't give you a story really on it. I think we ran a good ship and produced a positive balance of finance and people and support and helped new graduates.

#285 DF: Now that the CSPG is turning 75, what do you think have been important things that it has done over the years?

JM: I think education, number one and I look upon that as their number one need. And why I was a member early on and continue to be a member and wanted to be a volunteer if you will, was that I mentioned to you earlier about the educational deficiencies that we suffered from, that along with the company educational programs, the best form of education really were the CSPG Bulletins, their noon hour talks and the AAPG Bulletin and their guest speakers that came by. I looked upon them as the giants of the societies and so I felt that any way we could support them by running the necessary infrastructure and the funds to keep that going was the most important contribution I could make or any volunteer would make or could make that can't be qualified to actually do a paper, a memoir or speak on a technical subject at a luncheon say, or at a convention. That's the role I saw for myself. You know, for every star there has to be 10 labourers.

DF: There's always a lot of work to get done. What have you enjoyed most about your career?

JM: I think it's always been exciting and I think that a lot of things in life that I have wanted to do I managed to do within my career. And when it got boring or I thought an operation was not going to be successful I sought another one. I always had that flexibility within the oil and gas business to do that. I mean, you might take knocks, you always take knocks. Every time you made a radical change, that first year is tough. But by the time one year goes by and you make it to the second year, I think I myself personally have found, I'm handling it well and by the time the third year is around I'm bored and ready for a change. And historically that has happened, in looking back at my career. I've

always been ready for a change when something came along, not that it necessarily was a good decision or the best decision, but it was that change that I needed. And new challenges really. And they weren't necessarily academic or technical, they were mostly political or managerial and laterally, financial. So I think in our career, in our business, you have to traverse many disciplines and you have to be prepared to do that. Other than that, you have to be really a top flight geologist, really top flight where you can write papers and speak and maybe teach. But for the vast majority of us, we have to be very flexible and have to want to do different things. And I've always wanted to try things and yes, they've always been tough the first year. God, the first year in Venezuela I didn't know whether I was coming or going, it took two years to sort of get my confidence. But working in the field is a great confidence builder. If you succeed in the decision making on well site and in well site geology and just succeed in carrying out the program assigned, you come back into an office job and you're speaking the language and you know the country and you're all fired up. So I found field work was very, very good in that respect. And the same happened in Calgary you know, in going up to the mountains in the field first before coming in to the office was a great introduction to a new area.

#352 DF: Any regrets, things you wish you'd had a chance to do?

JM: Yes, I would have liked to have developed better writing skills. And perhaps better speaking skills too. I think as time progressed the became more and more important. And so I mentioned to you, one of the highlights with Atlantic Richfield was bringing in that ex-professor of the business school of Harvard and his changes. They made life changes for me that were very necessary. So I still like to read today and no, my writing David, still lacks panache is it, skill.

DF: Were you involved in any important discoveries along the way, or were you there when they happened?

JM: I think I was there when they happened. On a team basis, yes, but nothing that I could take credit for as a singular achievement by me. And anyway the set-ups always were such that they were team efforts. I spoke to you about the Atlantic Richfield way of decision making where districts and disciplines, geophysics, the land, the geology, the economics, input was from a number of people and their people too, their staffs. And then decision passed along levels. So it was hard to take credit for anything, an original idea.

DF: Well, what were your strongest contributions?

JM: In gas and finding oil. I think in assignment and directing people to pursue this end and supporting it in the decision making and fighting for the funds to carry out this work. Because always, always you must sell this concept to people that have the money, you have to justify it and give it a probability of success. And enough of them were successful, in which I participated, that we always got more money, we were never short of projects. That perhaps was a best judgement of it. And even to this day, I participate in wells and I've participated in successful ones and yes, I have working interests to this day. Acquired subsequent to formal employments yes. And still seek to do that, still want to participate in a well.

#397 DF: Still looking for that find eh?

JM: I don't look at it as looking for that find in an El Dorado sense, in an economic sense, yes. And it would be hard to say that in Alberta anyway because the technical input now is so sophisticated and so known that there's pretty good fences erected around how much you're going to make on this. But I think just the fact that you can participate in a successful venture is more important or it is to me anyway. Hey, this is successful and yes, I put my money in that and yes, I'm getting it back plus, and yes, we can improve upon what we're doing and what we're getting. Which we are doing.

DF: Anything else you'd like to tell us about your career or about the CSPG?

JM: No, I just hope that the CSPG will continue to be successful and will continue to educate the people in our profession and provide good parameters by which they can achieve excellence in their work and become better geologists than what we were. And I think that's the name of the game and that's their charter.

DF: Very well. Well, on those fine words, you're a good speaker.

JM: Thank you.

DF: I'd like to take this opportunity to thank you, on behalf of the CSPG and the Petroleum Industry Oral History Project for meeting today and allowing us to ask you some questions and get some very interesting insights and perspectives on your life and how you've seen the industry change over the years, as well as your participation with the CSPG. So thank you very much and we'll end the formal part of the interview at this time.

JM: Thank you David.