

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: P. D. O'Brien - CSEG Presidency

INTERVIEWER: David Finch

DATE: August 2000

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DF: Today is the 8th day of August in the year 2000 and we are with Mr. P. D. O'Brien at the offices of the Canadian Society of Exploration Geophysicists in Calgary. My name is David Finch. Could you tell us how you first came to know about the CSEG?

PO: It was one of the major social and technical organizations in Calgary at that time, and I think once you got here in the industry, you were soon exposed to it and soon became a member of it. So really, almost all the geophysicists in the marketplace participated in and contributed to it. So I probably joined the first year I was in the business, which was in '64.

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DF: What do you remember of those early years, how did the association society help you in your business?

PO: It was a meeting place. The oil community here has always been a very tight community. I think in Calgary you find. . it's probably one of the more unusual geophysical and oil communities for that matter, where everything's in Calgary. I've been in many other cities that have geophysical communities but none of them are as tight or as social as the group in Calgary. The people here compete hard, but they also socialize hard and they just build on relationships and you know your competitors as well as you know your clients. So it's a very unusual community. They ran a variety of functions, they had technical lunches, they had a big party every year, they ran the Doodlebug Golf Tournament. I was heavily involved in the Doodlebug Golf Tournament over the years. I started playing it in probably '67. Again, a group of the younger guys coming up and getting involved in the industry and then worked on the committee and I was Chairman I think, in '74. I was probably the youngest Chairman that had ever been on the group. Again, trying to bring some young blood into the thing, or different ideas, new ideas. A very social society. It was a fun place to work and to be involved in.

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DF: Can you tell us what it was like to be involved in the organizing of the Doodlebug. It probably had a lot of pretty mundane sides to it but probably some fun there too, any stories.

PO: Oh, we hardly had any fun. [laugh] It was quite a task at that time, there was I think 300. . . was there 300. . . maybe 180, 190, something like that, players. You ran it, there was 4

days of golf and parties, so there was a lot of organizing as far as contributors, getting hotels, all the functions. You had to go up and inspect the course, you had to check that out at least 3 or 4 times a year to make sure it was going to be adequate for the year. So you spent a lot of time working with the various suppliers in the business, the good relationships with the hotel. Nothing in particular as far as special or unusual stories that would go along with it. But again, an interesting bunch of people. You were working with a number of the older characters in the industry and then there was as I say, a bunch of the new blood coming through as well, participating in these things.

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#040 DF: Was that your introduction then, to the management side of CSEG, coming in through the Doodlebug?

PO: Yes, I think it was. It was where my interest lay at the time so I got involved in the Doodlebug committee and then finally headed it up. But it was something, we tried to. . . we'd make a few dollars, we'd lose a few dollars for the CSEG each year. But most of the time we'd break even or have enough where we could add to the coffers of the CSEG. It was not to raise a lot of money, it was more to go out and have fun. It was probably the major social function of the CSEG any year, when you've got a 4 day party up at the Banff Springs Hotel and there's not much better than that. Some mornings, your equipment and your golf bag included. . you'd have your typical light weather gear but you also . . .you know, you'd have a parka, you'd have gloves. We played some of the holes up there on the Cauldron where sometimes your ball would skip across because the water was frozen. We'd been snowed out, rained out, hailed out, everything on the tournament. We held it. . I think the second weekend in September, so at that time your weather can be anywhere you can imagine. So that was where the excitement lay, how well the weather was going to react or act and how it would influence the tournament.

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DF: What got you interested in becoming Vice-President and then President, how did that process come about?

PO: I think it was just being interested in what was going on with the society. It was also a very good way of meeting people, getting known within the industry. And when you're in the contracting business, which at that time, I was heading up Grant's operation in Calgary, so it was very important to be involved and to get the exposure in the marketplace with this. As well as doing what you can within the society and contributing what was going on there. So it was a combined business, pleasure type of operation for me.

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DF: So that's interesting. It's probably unique in oil patch associations that a contractor, like with the geologists or the other organizations, landmen, you have to be a geologist or a landman to be part of that organization whereas with the CSEG you've got contractors and lots of other people involved, right?

PO: You do. Yes, there's no. . . .

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DF: Service and supply as well as the more technical people, all in one group.

PO: That's right. There's no particular qualifications other than general interest, to becoming a member of the society.

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DF: So what do you remember from the years that you were on the executive, what were some of the key things that were going on?

PO: We're going back too many years now, 20 years, I think I was President in 1980 and the participating in various other functions prior to that. You can't. . .it's difficult to single out any particular changes or major changes. Everything that really went on there, it was a gradual transition. We did a lot of work on continuing education, we were trying to restructure. We restructured the society the year I was President, where we went to a President-elect, rather than every year you would bring somebody in new. Part of my observations was, when I was going through there, was that when I became President I was really unprepared for doing anything significant within the society. I felt that you should have been on the executive the prior year because that lets you put your thoughts together and find out. . you're up to date on what's going on. You can see more clearly where the problems are and where the opportunities are for the society.

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So we changed the election procedure, along where each year you would have a President-elect, as well as your President. And then the next year the President-elect, of course, would take over. So he or she would have the year to generate ideas, participate and then really be able to do something more in the operations. Actually I believe the SEG followed in our footsteps a few years after that and put that procedure in place as well. It's something you have to be involved in, you have to get to know what's going on, if you're going to be successful. I would think that's probably one of the major changes that went on. We also have the unique distinction that my wife was the President of the Ladies Auxiliary the same year that I was President of the main society. So it was a good year, we could do anything we wanted within the society, exchange lies at night about what we were going to do, set plans. So it was a good year for both of us.

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#090 DF: Those are pretty tumultuous times though, mid 70's into the early 1980's, as far as pricing of oil and gas internationally, government intervention, the NEP in 1980 and so on. How did the society react to those events and how did it interact with the government?

PO: We really weren't a political body at that time. There was not a lot of involvement with what was going on. Rightly or wrongly we were running our technical society and there wasn't a lot of politicking going on. Not the same way you see it this year, or in the current years. I think there's a lot more involvement. I don't know what the CSEG does now as far as political involvement and how they develop their relationships. In conjunction with that, during those same years we were also involved in forming the Canadian Association of Geophysical Contractors. That was again, more of a political body. I was involved in that down in the U.S. because our head office was in the U.S., so

we got to know the people down there and it was through developing relationships with that, that we decided to form the Canadian Association of Geophysical Contractors. That was done, probably, '79, '80, somewhere in that time frame. But I think I was a significant influence in getting that going because of the need, just from what you're saying. And that was a much more political body than the CSEG was at that time.

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DF: Didn't the CSEG, through your time period, have a government relations committee?

PO: No. I don't . . . we didn't think it was part of our realm at that time, so it wasn't something that we delved into heavily.

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DF: The CSEG was concerned with the boom and bust cycles and trying to do what it could to help its membership in those problems. What do you remember of that?

PO: Not a lot. It was . . . I'm trying to think of what really worked and what went on at that time. I don't even think we had an employment committee at that time. You look back and you look at what's going on now within the SEG and the CSEG. Most of the lobbying . . . I can remember there were complaints, there were struggles going on with the incentive program, that there were companies that were taking advantage of the geophysical incentive programs. They would go out and they weren't doing it properly, they were raping the government and this sort of thing.

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But there may have been some discussions with the regulating authority for the incentives at that time, but not really strong day to day lobbying or involvement with what was going on with the ups and downs in the industry. Even though things were going up and down, there were some changes within the employment level and this sort of thing and people moving around. But nowhere near what happened I think, when you start looking at what went on in the mid 80's and the restructuring that took place then. Companies were active, they kind of came and went but there wasn't the major dramatic changes that we see now, where our work force is cut in half or even more in the industry. That's traumatic. What was going on then was people were shifting around. There were a few people out of work here and there but it didn't seem to be anywhere. . . nowhere near the lay-offs or the strategic changes within oil companies at that time. So it wasn't the same concern, the same problem that it is now.

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#130 DF: Why is it so much more intense now?

PO: I think with all the mergers, all the changes in how business is being done now. There's a lot more automation, you've got a lot more computer technology playing a part. People are much more efficient. Companies are probably outsourcing more. There's fewer companies. When you look at the industry, how many majors do we have now, 2 or 3 majors, a number of large independents. It's really going through a transition, total restructuring of the marketplace from what started in 1985, with . . . who was head of MESA at the time, was doing all the green mail and trying to buy companies, get companies to merge. If they didn't go along with what he was doing, or what they were

doing, they'd get significant payments. That's what started it and I think the restructuring has just continued through then. There's much more focus within the industry now on return on assets, trying to be much more efficient in their operations, rather than just out finding oil. So it's I think, been a major change.

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DF: Become more of a commodity rather than exploration.

PO: Yes.

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DF: It's a business now, before it was sort of an exciting thing.

PO: Yes. People were. . .you know, they certainly were trying to make a buck at it and this type of thing but there wasn't the same marketplace focus and an investment focus that there is on the marketplace today. The consolidation. . . look at this thing with Mobil and Exxon going on right now.

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DF: How about the maturation of the western Canadian oil industry too, I mean all the big easy fields have been found and now they're having to go further afield and further north and using geophysics to find the smaller pools and so on, that must have something to do with it too.

PO: It certainly has influenced it. So you see, companies kind of come and go and trends come and go, you know, over the years we've seen companies, they go to the frontier and they went up to the Arctic Islands and they didn't find anything in the Arctic Islands so they came back to Alberta because there was still . . . you know, technology changed so they could be more effective at finding oil. They went out when I was at Amoco, in the late 60's, they were exploring the Grand Banks. They didn't find anything there, they didn't have the technology, the ability to map the deep formations. So they went out there, there was a number of companies working out there. Then they came back to Alberta, B.C. They found a new series of plays that they could go on. So it's cyclical and it goes with technology. When 3-D technology came along, it opened up Alberta and British Columbia to a whole new series of explorations because they could find things that they could never find before. So it goes in waves on what the tendency is. Oil companies tend to follow each other I think. Especially with majors and larger companies, if one goes out here then they all tend to try and find a thing, because they can't be out of step because then their Boards wouldn't like that and the investment community wouldn't like that. So there's a few leaders and then there's a fair number of followers that go along in the industry.

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#170 DF: Where do you think the CSEG can go in the future to help its members, or the SEG for that matter? What do you see the future direction of these societies?

PO: I'm not up to date on where the CSEG is right now. I've not been involved in the last number of years, I guess. I rarely get back up for their President's lunches unfortunately. So I'm not current on where they're at. I think continuing education is a big part. I don't

know whether the politics is a significant part of where they should be playing. I think they should be aware of what's going on but I think it's helping their members adapt and change to what's going on in the marketplace. It will continue to . . . I think it continues to consolidate the technology that the members, the practising geophysicist has to have, continue to change. So I think it's helping them work through those transitions. You can't create opportunities for your members, you can't go out and make jobs, you can't build companies, but you can help them be better at what they do. I think the focus should be there.

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The other part of it is, over the past 10-15 years there's been very few geophysicists, geologists coming into the marketplace. Because it's been such an unstable environment. All they hear about it lay-offs, businesses going downhill, why would I ever go into that business, I could be in computer technology. And that's where a lot of the laid off geophysicists have gone. They're, as you know, very good in math, science, this sort of thing, so with a little bit of training, they can be a good technologist, do very well. And so a lot of the people have gone into the high-tech industry and they won't come back. So you look at the void of people that have come into the industry in the past 10 years, 15 years and the number of top quality technical people that have left. The industry is devoid of people in the middle management and the junior ranks because nobody is coming in. So this is where the problems are going to come. You see societies that, they're out promoting at universities. They're trying to get people to come into the business. It's still difficult because you still have layoffs and that. So I think there's going to be . . . on the next wing, which we think is coming, we think is started, if it gets into full motion there's going to be a tremendous shortage of people.

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So the work in the society. . . you know, you help your people with more efficiency, better training, but then there's going to be an emphasis on bringing more people into the industry. The SEG has got a very good scholarship fund, trying to encourage people to come into the business, the CSEG I think does the same thing. Trying to get more people in. But you look at most university programs now and they have very few students in them, a lot of them have been shut down because there's just not enough demand for the services. So there's a major, I think a major problem coming in the next 2 to 3 years as far as personnel in the industry goes. And you can't solve that short term. So it's going to be more interesting years within the industry, it never ends.

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#214 DF: That's certainly what the industry has done many times hasn't it? Anything else you'd like to say about the CSEG and the time you served on the executive.

PO: We talk about change and other things that have gone on, I think the CSEG has always had a dynamic group of people. I think the technology and people that come out of the Canadian marketplace are probably some of the best. It's a tight knit community, there's a good exchange of ideas and when there's technology or ideas that are developed, it's disseminated very rapidly. I think I mentioned earlier, there's no other community that's as dynamic in the geophysical community, other than Calgary. I would say it's the best.

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One of the other things I didn't mention we'd accomplished was at the proceedings of the SEG, for years, up until probably the late 70's, early 80's there was no printed record of the proceedings, what was going on. One of the things that we encourage them to do and finally had some effect, was to do . . . it was expanded abstracts of the proceedings. So at the end of the convention you could come away with a written report of what went on. Prior to that it took 2 or 3 years for the information to slowly disseminate out of the technical publications. You can't have that in a scientific marketplace. So we finally got them to do a written record of what's there. And now, we were over there today and you pick up a CD-rom and it's got all the proceedings on it, you can whistle through it, find what you want. You can actually analyze it before you go to the papers, whether you want to go to the papers or not. So it's a tremendous improvement and a much better way to disseminate information. So it's been a good change. But other than that, it's incremental. It's small steps, you always try and do things a little bit better, you try and improve the education, you try and improve the financial condition of the society. The society has been fortunate, it's had good membership, responsible people, so it's had good publications and been financially quite healthy.

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DF: Good. Well on behalf of the CSEG and the Petroleum Industry Oral History Project, I'd like to thank you so very much for taking the time to meet with us today and allowing us to record your recollections. Thank you very much.

PO: You're welcome.