

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: David Stauff

INTERVIEWER: Nadine Mackenzie

DATE: July 1984

NM: This is Nadine Mackenzie speaking. Today is the 20th of July, 1984. I am interviewing Mr. David Stauff. Mr. Stauff, thank you for having accepted to participate in our project. Can you tell me, when and where were you born?

DS: I was born in southern Michigan, a little town called Carol, June 27th, 1934. The story of how I got to be born there is rather involved. My father was a petroleum geologist working in Peru in the 1920's. 1930's. He was killed in March of 1934, which was 3 months before I was born.

NM: What happened, was it an accident?

DS: It was a completion accident down in Nebetos, Peru. Interestingly, I don't know whether you want to get into this but I was just talking about a year ago to a fellow who knew my father down in Peru back in the 1920's and 1930's and he told me a little bit about how my father died, which was kind of interesting. It was a valve, they were completing a well and a valve broke and literally just sort of blew my father against a pole and killed him. But an interesting background to that, is that he, according to this fellow who worked with my father, said that about a year before that time the company that Dad worked for had stopped testing valves before sending them back out into the field. The program to test them, pressure test them had been introduced by my father and then there had been some new people come in and they'd said, this isn't necessary, we'll just repaint them and re-circulate them back into the field. This fellow that I was talking to said that he was 99% sure that it was one of the valves that had not been tested, that actually resulted in my father's death. I've often wondered, it's impossible to follow up on that sort of stuff. No, you couldn't. But the guys name was Clifford Ratliffe, it was interesting.

NM: So your mother came back. . .

DS: So anyway, yes, my mother came back at the time, right after my father died, to southern Ontario, which is where she was born and raised. My aunt, her sister, was married to a doctor in Michigan and that's how I got to be born in Michigan. My father was from Pittsburgh, so that made me a full fledged American citizen, even though I only lived in the U.S. for maybe the first 3 or 4 weeks of my life.

#038 NM: So you are entitled to an American passport?

DS: I was at that point in time, yes.

NM: But no more now?

DS: No, I got my Canadian citizenship about 3 weeks, or less than 3 weeks before I was supposed to report to the draft at the time of the Korean War.

NM: Where were you educated?

DS: I went to school in a little town called Petrolia, in southwestern Ontario. I went right through elementary and high school there. It was a good time of my life, with lots of friends around.

NM: How was Petrolia?

DS: Petrolia was a little town of about 3,000 people. The high school that I went to had about 300 odd students. When I went, started high school in 1946 that was a big jump to go to 325 students, before that I'd only had 200. They brought in some students from the country. But Petrolia was a really interesting little town and I think still is, because that was where a large number of people went out to the oil industry around the world. So that you could talk to people that had travelled all over the world in this little town. It made it kind of fun to grow up in, to meet and be around some of these old characters, most of whom, well, pretty well all of whom are now dead.

NM: So you were already in the oil business?

DS: Yes, I sure was. Well, as you probably know, my brother Peter and I are the 4th generation of our family to be in the oil business and to work with, be involved with Imperial Oil one way or another. One of my early memories as a little boy, is helping my grandfather work on the oil wells he had on his farm.

NM: That was good training already.

DS: Oh sure. Although it was pretty elementary because the wells were pretty shallow. But we learned, even there we learned something about how oil is trapped and the fact that it's down there, that it was down below the surface in rocks, rather than in pools as a lot of people think it is. It was a good time, working on my granddad's farm. But that was the one thing that I remember most, was going out to pull the rods, to change the pump and that sort of thing. I remember one thing, the old system that we had, the system that was used for producing the wells involved a couple of jerker lines that were powered by an electric motor in between these 2 wells. There were bearings that things rolled around on. the kinds of bearings that they used, because of course, this was very old, they weren't ball bearings or anything like that. What they'd do is we'd melt some form of, I think it was lead, we'd melt lead and then pour it into these casting and that would sort of form a very smooth surface around the shaft that it had to turn to support the shaft. I'll always remember the one and only time that I was ever involved in that because it was my job to keep the little fire going underneath this pot to melt the lead so that my grandfather and my uncle could pour it in. And it seemed, I believe it was 3 times in the process of poking the fire to keep it going I tipped the pot over. I always marvelled at the patience of my grandfather. Every time that lead tipped over he just about went crazy.

#085 NM: So during the summer were you helping them around then?

DS: Yes. As I say, my grandfather's farm was about 5 miles outside of Petrolia and it used to be just a nice bike ride to go out there so I always used to spend quite a bit of time.

NM: So you were really brought up in the right place?

DS: I guess so. The oil business sort of got made a part of our lives very early. Of course, my mother was part of that too because she had gone down to Peru back in the early 1920's as a school teacher for the oil company, International Petroleum Company.

NM: So the whole family was. . .

DS: The whole family was involved, yes.

NM: And then you went to university?

DS: Yes.

NM: Which one was it?

DS: I went to the University of Toronto. I took what started out to be mining geology and ended up called applied geology in the faculty of applied science, I ended up with an engineering degree. Which was the same degree that my brother had. I've often thought about why did I decide to go into geology and more particularly, petroleum geology. It just seemed a natural thing to do I guess is the best way to describe the reasoning. All through high school it was just assumed, without any particular reason for assuming it, we just assumed that I was going to go to university. There was never really any question about it. I got fairly good marks in school, so that was just going to happen, that's all there was to it. Then when I finished high school, my brother had taken geology and that seemed like an interesting thing because I'd been involved sort of peripherally with the oil business. I had 2 uncles that were drillers as well as my brother to sort of talk to. So I just did. Fortunately I found it interesting and then I went through university. I had summer jobs every year. I tried to be varied, I had one summer working underground in a mine up in Val d'Or, ???, in Quebec. Another summer in the bush in northern Saskatchewan, prospecting for uranium. And the 3rd summer I was with Imperial Oil. I worked for Imperial Oil out in Edmonton as a sort of assistant well site geologist. I was really just sort of there to learn more than to do. But it was a really interesting experience because I had never had anything to do with the large, or seen the large drilling rigs that we had. I think I was involved in 3 wells, 2 or 3 wells. The 2 wells that I remember were both in the bush southwest of Edmonton.

NM: Which year did you graduate?

DS: I graduated in 1955.

#128 NM: And after graduation what did you do?

DS: After graduation I came to work for Imperial Oil. Back out to Edmonton. And spent the next 3 years I guess, well really 2 years, sort of on a training program and also sort of moving around in any event. I didn't have a permanent sort of assignment. I was up in the Peace River country, and I was down in Regina, in southeast Saskatchewan. That was at the time, the time that I was in Saskatchewan which was in '56 and then again in 1957, that was when that area was really booming. There was a whole batch of us all working on wells down in southeast Saskatchewan.

NM: Do you remember the names of people you worked with?

DS: Gosh yes. I have some really good memories, again from working down in there. One person, I don't know whether he's still around, by the name of George Tosh, was a drilling supervisor down there. George Tosh was a real character, he was sort of in charge of the drilling down there. I remember that he had a terrible time, his language was I guess, salty, at the best of times and he had a terrible time with these mobile radio systems, which of course, he was always getting into trouble for his language on the

mobile radio system.

NM: What was he doing, what was he . . . ?

DS: He was sort of in charge of all of the drilling operations in southeast Saskatchewan in the field, drilling and production operations, as they were going on. We used nothing but contract drilling rigs but he was sort of the head Imperial person that sort of looked after that. At least as far as I know, I think that's what his job was. And he was a neat guy. Really, as I said, rough around the edges but at the same time a really genuine person. I remember one well site geologist by the name of Jack Fraser, was down there and it was on a weekend and he got a phone message that his parents or one of his relatives in Ontario had died, or there was an extreme family emergency and George took the full message over the phone for him, went out to the field, told him and said, I suppose you don't have very much money to get down there right now in terms of the bank. Jack said, well, I don't know what I'm going to do about that and George just said, here's \$300, go.

#169 NM: That was very kind.

DS: Pay me back when you can. That was the kind of person that he was, or is I should say. He's a really neat person, I always enjoy George. Anyway that was one of the people. A lot of the other guys that I knew were well site geologists that I worked with in various capacities around the field. People like Jack Criterman, who just retired from Imperial, ??? Headley, who is in the oil business, he owns an oil company some place down in Ontario I think now. An old friend, Jim Fisher, who still works here in Calgary. Jim and I are great buddies and we've kept our friendship for the last 30 years really, through different, he's a had a couple of marriages, his first wife died and all sorts of terrible things. But we've maintained a good friendship. I always remember one story, can I tell a story?

NM: Sure.

DS: When Jim and I were down there, it got cold in the wintertime and of course, the only toilet facilities on the rigs were the outdoor bifs and they got to be very, very cold. I remember one time Jim was on another rig than I was and I went over to visit him for coffee in the morning. It was about 10 miles away I guess, but I drove over. Where the rig that he was looking after was, was about 60 miles from Estevan in southeast Saskatchewan. As it turns out the company rented a hotel room in Estevan permanently for anybody that was sort of passing through. As hotel guests therefore you had the privilege of using indoor toilet facilities in the hotel. In all of the small town hotels you weren't allowed to use the indoor facilities unless you were a guest of the hotel. So I came over and Jim and I were sitting having a cup of coffee and I said, gee I gotta go and Jim said, I do too and I said, I can't face going out and sitting in that damn cold bif because it was about 20 below, it was cold. So we said, well, why don't we go to Estevan so the 2 of us crossed our legs and drove to Estevan, all for the sake of having a warm crap. Not too many people do that I don't think anymore, even in the camps. But again, those were good times. In those days the communication systems with the city, the main offices, were not as good as they are now. We used to use these crazy coded systems, codes that I think anybody could break in about one day if they wanted to but we used to

say, they always made management feel comfortable even if they bothered us. One guy that I remember well was the guy who was the well site supervisor down there, Alec Milne was his name. I think he's retired from Imperial now but I'm not sure. Alec used to always have a habit, and he used to like to drink a little bit but I swear that a lot of the times, when you'd phone and ask him for a decision, he'd act like he was into the sauce but I swear that he wasn't because a lot of times when you'd phone him he'd just say, well, you're the man on the well site, you do what you think's best. He'd say it in kind of a slurred voice, you just do what you think's best. And I'd say, aw come on Alec, you're drunk again. But, if it was a real problem, he was sober in one second. So I don't think. . . I think. . .

#232 NM: Maybe he was acting.

DS: He was just acting and really trying to encourage us to make our own decisions and to teach us to do things on our own. Which was I think, a very smart move on his part and it worked because a lot of the people that worked under him in Saskatchewan turned out to do very well later on. Part of the reason was that they learned to make decisions when decisions had to be made.

NM: How were the conditions of living?

DS: Well, we all lived in shacks, skid shacks that were on the lease. Some of them were good, some of them were pretty horrible. They were just basically a one room thing, with tables at one end to look at core and samples with your microscope and usually, a 2 tiered bunk at the other end. And that was where you lived, there wasn't anything else, with a hot plate in the corner. I never really thought about it as being a particular hardship though, because that was just where you had to be. We ate a lot of our meals in the little towns around. The little towns and the beer parlours in the little towns were sort of a social centre for living down in there.

NM: So did you make friends with the local people?

DS: Not so much with the local people, in some cases. But you make friends with a lot of other people that were in the same boat as you were. I remember one Christmas, I think it was Christmas, it must have been '56, I was in the field over Christmas and thinking that it was going to be kind of a lonesome time. It turned out not to be at all because several of the roughnecks on the rigs lived in trailers with their family and they invited me and then a couple of other people. I ended up having just a super time on Christmas day. It was really nice. And those people were really, really good-hearted. Again, they were kind of like George Tosh in some ways in that they were a little bit rough around the edges but absolutely super. I remember that Christmas because I was invited to this one family and I'd had to do some testing or something during the day so I didn't get there till about 5:00. Just as I arrived they were clearing off the table, they had already finished and this was in a little 30' house trailer with about 10 people in it. They were just clearing off the table from a great big turkey dinner and I said, oh dear, that's too bad, well, I'll just have a drink and I'll go on, I've got somebody else that I was supposed to see anyway. The wife of this one roughneck, she said, no way, we invited you for dinner, we're going to have dinner. Not to worry, it's just fine, sit down have a drink and we'll get things back

together again. Half an hour later, we all sat down again. I don't know how those other people did it but we went through the whole rigamarole of a big fancy turkey dinner all over again. But it was that kind of sort of welcoming and warm atmosphere that I really enjoyed about working in the field down there.

#293 NM: What about the scouts, did you come across them?

DS: Not too much. Because the fact is that down there, the area was so, the ground was so flat that scouts couldn't hide themselves very well. They were there, there would be scouts around but they couldn't really get very close to anything. I remember when I was the summer student, a couple of years before that, which was in the bush, I remember the roughnecks took a scout and dumped him in the mud pit one day.

NM: It must have been fun for them to catch a scout.

DS: Oh yes, that was a big deal and I think the scouts kind of recognized that too. I think in many respects a lot of the roughnecks they sort of had it made with the scouts because the scouts would always buy beer. You go into a beer parlour and if you could find a scout, you had free beer for the night. They thought that was a good deal because the roughnecks didn't figure that they had that much information to share anyway. But they'd feed, they'd sort of try and bring the scouts along. That's about the only contact really that I had, with people from the scouting bunch.

NM: After this job what did you do?

DS: Then I was transferred up to Edmonton, still with Imperial and worked just in the office, developing prospects and ended up as an area geologist looking after, actually, all of southern Alberta. From about township 46 south I think it was.

NM: So were you travelling a lot?

DS: No, I was not. I was pretty well just in the office, dealing with the well information as it came in and evaluating land sales and making recommendations and hopefully finding some prospects and getting some wells drilled, that sort of thing.

NM: Did you have a big staff?

DS: Not at that time. There were only 2 or 3 of us I guess, that were responsible for southern Alberta. It was an interesting time too, I remember, this was I guess, yes, it was in the very early part of that time I made my very first presentation to management. I had never done that before and the guy that was my boss would normally have done it but he went away on holidays. He said, well, you look after it, there's a land sale and we want to recommend a little bid.

NM: This is the end of the tape.

Tape 1 Side 2

DS: We talked about this little land sale and the guy said, there's a land sale coming up and we're going to recommend a bid of, I forget, \$300 on this thing, but it has to go through the management meeting so you'll have to do that. So I thought, oh dear, what am I going to do so I put my thoughts together and I got it all in. The morning of this management meeting I got up and I'd absolutely lost my voice. I was just filled with laryngitis, I just

couldn't speak, it had never happened before in my life and I didn't know what I was going to do. So the meeting was at 9:00 and I sat there and stewed, waiting to be called into the meeting. For the next 2 hours I sat there, finally, at about 11:30 the contracts guy that was responsible, actually it was Don Getty was the contracts man, he came out and I said, what happened to my parcel that I wanted to recommend Don. Don said, hell, it was so small they just decided to go ahead and do it, they didn't even need to review it. Half an hour later my laryngitis was totally gone. I literally lost my voice worrying about it. That was my first non-exposure to management meetings. Anyway, I went through, carried on from there. Then in about 1962 I guess it was, Imperial was just in the process of developing a new, working on introducing computers into exploration. There was a guy from Calgary came around and gave everybody a programming aptitude test, everybody in the whole department. Fortunately or unfortunately, whatever you think about it, I scored fairly high on it so was offered the opportunity to come down to Calgary and work as a computer programmer for 2 years. That was for a 2 year assignment, that was in 1962. I still recall when I came down, they said, don't buy a house because you're only going to be here 2 years. What we want to do is create a group of computer oriented geologists. So you come down here, do your programming and then after 2 years you'll go back and sort of spread the gospel of computers to all the rest of the geologists. So that was fine, I spent the 2 years. But it was interesting because 2 years was really a little bit too long to create a computer oriented geologist because I ended up more as a sort of geologically oriented computer person than a computer oriented geologist. I spent from 1962 then, for about the next, almost 20 years, 19 years I guess really, working in the computer area.

NM: What type of computers were used in 1962?

DS: We had an IBM 1410 computer that we used. It was regarded as a very large computer at the time, it had 40,000, that was big, 40,000 characters of storage, which you can get almost in a pocket calculator now. At that time it filled a whole room, the machine filled a whole room.

#041 NM: Yes, computers have shrunk.

DS: Boy, have the ever. But it's an interesting computer application that we worked on because we were building a computer well data system. In that whole period from about 1960 to about 1963, '64, Imperial was building a computer well data system, which was an absolute first in the oil industry. Certainly in Canada, there was no company that had anything approaching what Imperial had. Or any government agency either. I remember that we used to get production data from the Conservation Board in Calgary. They had it on punch cards and they used the punch cards to sort of process the data on a punch card machine, but when they were finished processing that much data they just threw the cards out. So Imperial said, we'll take them off your hands and we did that from, I think it was 1960 or 1962 we started that. In 1967 when the Conservation Board decided that they wanted to start a computer system of their own, they had to come back to Imperial and ask if they could have their data back on tape sometime, because they were not computerized at all.

NM: Was Imperial the first oil company to use computers in Canada?

DS: I think so. The well data system, actually that well system was started in I think it was 1959 when the first feasibility studies were done. It was a very major step forward. Interestingly enough, it wasn't until 1970's in the computer area, that the idea of, quote, data base systems and data base management systems became an important thing to do, important way to handle data generally. In fact, when you looked at it, Imperial's system, which was developed, designed in about 1960, was a data base system and used all the same principals and concepts that the industry got all excited about. The computer industry, not just the oil industry got excited about it.

NM: So computers must have changed a lot of things in oil companies?

DS: Yes, they have, they have undoubtedly. The area that I was involved in, which was exploration, or geological data processing, has had kind of a checkered history. It was not, how do I say this, it has been sort of been really exciting and accepted by everybody and then collapsed. It's gone through 2 or 3 of those.

NM: Why is that?

DS: I think one of the things that happened was that people got all. . .there were some people in the industry that made some grandiose statements about what computers were going to do for us. They were saying, when we've got all this stuff put together you'll just push a button and everything will come back to you. If you don't have any particular question, you can just ask the question and you'll get the answer, zap, because computers can operate in thousandths and millionths of a second. So just think, you'll be able to ask any question you want and get the answer back immediately. Well, that's not the way that the system works.

#087 NM: And computers break down too.

DS: And computers break down and the data that you get out is only as good as the data that you put in. There was a lot of foul ups in data. It is true that you can ask a computer system just about any question and get an answer but in between asking the question and getting an answer, there has to be a programmer. At least in those days you had to usually write a specific program. And that could take days, weeks, usually weeks, sometimes months. In the meantime, the guy is saying, but you told me I could get this answer back right away, what's happened. Well, there was a lot of disillusionment as a result of that, as a result of these kinds of things happening. So as I say, it's been kind of up and down. In fact, it's only now in some of the work that I'm doing now, that we're able to do some of the things that people were told they could do 20 years ago.

NM: So it took some time.

DS: It took a long time to develop, to develop these things into an operational situation.

NM: So you came to Calgary in '62 for 2 years.

DS: For 2 years. And at the end of 2 years I'd done my programming stint and they said, well, you'll be here for another 2 years. You won't be programming but you're going to be sort of the exploration contact, the coordinator person between the geologists, the geological people and the computer people. Which was an interesting job, the guy that had had it had quit, that's why I stayed for the other 2 years. They still said don't buy a house, rent a

house. So after the second 2 years we said, well, I think maybe, regardless of what the company says, we better buy a house. And we're still living in it and that was, '62, '64, '66, yes that's 18 years later we're still living in that house.

NM: Where was your office when you came here in '62?

DS: We were along 9th Ave. S. W. I started out in the old Albertan building, 300-9th Ave., I'll always remember the address. Interesting about places where you are, I can remember in Edmonton, this will tell you something about the aircraft business too, when I worked in Edmonton we were in the Devonian building, on the 10th floor and the 10th floor of the Devonian building looked straight north on to the runway of the industrial airport. At coffee time we used to look out and we'd take bets on whether the planes coming off the runway were going to clear the 10th floor of this building. Now recognize, that's about a mile or two away.

NM: Quite dangerous.

DS: Well, yes. But those old Northstars and some of those old planes, they didn't go up very fast, they took a long time to climb. Anyway, that was an old, old building but it was the corporate headquarters of Imperial Oil and everybody thought that was a pretty neat place to work. Corporate headquarters for western Canada.

NM: How was the training for programmers in this time?

DS: It wasn't very much. I took a 1 week course, 1 or 2 weeks, 2 weeks I guess it was, in programming. That turned me supposedly, into a programmer. You had to learn the machine language to do things. Some of the newer languages, like the more universal language, COBAL, which stands for Common Business Oriented Language and FORTRAN which stands for Formula Translation, those programming languages were just getting started.

#138 NM: And they are still in use.

DS: And they're still in use today. But at that point they were very, very sort of elementary. We had to use a language called Autocoder and machine language, where you sort of dealt directly with the position of your information, as to where it was in the memory of the computer. You worked directly with the computer with computer addresses as they were called, or memory addresses. Which gave you a better feel for what was going on, we often wondered, you could really sort of visualize what was happening inside the computer. Nowadays, they're so complicated and complex, that's just impossible, you don't even think about that anymore.

NM: No, you just use it.

DS: You just use it, you just use the keyboard and that's all there is to it.

NM: So you came here to Calgary in '62 and you stayed.

DS: And I stayed. And I stayed and I stayed. I spent as I said, 2 years as a programmer. And then really, from that time, which was 1964, to about 1971 I think it was, I continued in that role as sort of a coordinator, liaison type person. The organization changed and I was given different job titles and theoretically promotions but basically, I was still continuing to do that, developing computer applications for geologists. And helping geologists understand what the computer was trying to do for them. It was an interesting time,

although it got a little bit tiresome after awhile, after I'd done it for that length of period of time.

NM: Computers make mistakes. Did that happen to you that you were in trouble with your computer?

DS: Yes, I was in lots of trouble with the computer. Computers do make mistakes but only very rarely, it's usually the data that's wrong. We did have it happen once or twice. I guess the memories that I have of that sort of stage of my life, particularly in developing applications, was that the way that, once you got involved in the thing, it really sort of took over a good portion of your life. I can still remember, it was the night of a big company dance and I was working on a program and there was a bug in the program and I couldn't find it. I was in the tub getting ready to go to this dance and it all of a sudden came to me. It was like the eureka, I found it, Archimedes. Anyway, it all of a sudden came to me, I'd found this bug and before we could go to the dance I had to charge down and change the program and put it in and see it. My wife was mad and all sorts of things.

NM: It can become an obsession too.

DS: Yes, I've seen that happen with some people. Anyway that was an interesting story. From there I moved into working with the . . . into sort of the management side, again, the management side of information systems. I was working still with Imperial, I became what was called supervisor of information systems, I think it was called. Which included the scouting group by the way. It sort of went full circle through the computer thing and then I came back, and it was at that point, actually Bill Allen worked for me for about a 3 year period there.

#195 NM: Who else was working for you?

DS: Hector McAllister worked for me. He was another old time scout in Regina. I know he's retired, anyway gone from Imperial, I don't know what he's doing now. Most of the rest of the staff were clerical and sort of semi-professional. I shouldn't say semi-professional because I also had the corporate library working for me. One guy that worked for me that would be interesting to talk to that was an old field scout was Rudy Schiptiki???. He still works for Imperial. He's a funny guy. And he was a real field scout when he was younger. Then he got involved, he got mixed up in computers and got really involved.

NM: So he switched from scouting to . . .

DS: He switched from scouting to data processing and computers. He was a good guy. There was a total of about 40 people I guess, in the department. My boss was a fellow by the name of Vic Allen, who just retired a year or two ago I think, from Imperial. After doing that job, it was a good job because they were consolidating all of the offices so I had to take 2 or 3 division offices and make them into one office in Calgary. One sort of department in Calgary. As well as taking the scouting and the exploration data processing and the library and putting them altogether. That was kind of an interesting little procedure.

NM: It would be a challenge.

DS: Yes, it was a challenge. Because as I'm sure you've found, scouts are a pretty independent lot. They don't take too well to having young whippersnappers tell them

what to do, or even having to tell young whippersnappers what they're doing. I can remember going to some of the scouts conventions, I was just an outsider to those but. . .

NM: Was it Scout Check?

DS: Well every year, I was amazed by all this, that every year there was an annual convention, and still is I think, an annual convention of the Canadian Oil Scout's Association. You know, sounds like a pretty big deal and they always used to have it at different places, usually Banff or Fairmont, or Jasper, nice places. They were at least 3, sometimes 4 day conventions. The way I got introduced to the thing was I was asked to give a paper at one of those. Well I said, this is pretty good, they're having technical papers. Well, it turned out that the technical portion of that 4 day convention was 2 hours. The rest of it was real convention.

#243 NM: Exchanging ideas or. . .

DS: Well, yes, things did change a lot and I know that they're not the same as they used to be. Because in the early days scouts, they had to be pretty innovative and they were pretty innovative financially as well, in the way they ran their conventions because nobody paid a cent for them. Somehow or other, everything got paid for. I really never asked.

NM: And nowadays they have some ladies.

DS: Oh yes, there were no lady scouts in those days. No way and that was a major problem. . . not a major problem, because nobody even thought about it. It just didn't exist you know, because they said that if you went to Scout Check you would be really inhibited, the guys wouldn't be able to say what they wanted to say and all these sort of chauvinistic. . . it was interesting. The whole business of chauvinism was still. . .

NM: Quite strong.

DS: Still strong. Not just in the scouting business here but in other . . .

NM: Was it in the whole oil business?

DS: In the whole oil business. And it still is I think to a certain extent.

NM: Women were mostly secretaries.

DS: That's right. I can remember, when I was in charge of that department, there was a girl, she was a clerk that was looking after a certain type of data that was in our files, and there had to be some contact with the Conservation Board here in Calgary. I said, we'll just send her down to Calgary to talk to them. The management said no, I said, why, well, you can't send a girl to Calgary all by herself. I said, but she's the one that knows all about it, well, you can't do that, she'll have to talk to one of the men and the man will go down and talk about it.

NM: So things have changed.

DS: Oh boy, have they ever. I was quite angry about that at the time. Eventually I think I did get her to go to Calgary. I mean, this is a 1 hour plane trip to Calgary and they said, no, can't go. It was finally allowed that she could go, sort of later on, but only if it was just during the day, she couldn't stay overnight, she wasn't allowed to stay overnight.

NM: This is the end of the first interview with David Stauff.

Tape 2 Side 1

NM: This is Nadine Mackenzie speaking. This is the 2nd interview with Mr. David Stauff. Mr. Stauff, you worked for Imperial for a long time. What happened during this time, from an historical point of view?

DS: Well, I guess a lot of things happened. Imperial, when I joined them they were in a period of fairly major expansion, that was in the middle 50's. They were unquestionably sort of the leader of the industry. They had the majority of everything, almost the majority, not just more than anybody else.

NM: It was company #1 in Canada.

DS: It was absolutely #1 and everybody else was way, way down there. By the time I left them in 1974 things had slowed down a whole bunch as far as Imperial was concerned. I'm just trying to think over the time that I was there, some of the major discoveries that took place that I was a part of. I can remember being in the office when the Judy Creek field was discovered, I think that was about 1957, '58. That was a really exciting time, all sorts of wonderful things. Because at that point in time, it was perceived to be a long time since the last major discovery, about 3 or 4 or 5 years, that Imperial had made. And that sort of gives you an idea that now, I don't know when Imperial had a major discovery but it was a lot more than 5 years ago. And even when I left in '74, it had really been a long time at that point, since the ??? had been a major discovery. But Judy Creek was a major sort of plus for Imperial. Some of the other things that happened, after Judy Creek it got drier in terms of the ability to find the results that were produced. And other companies started finding things that Imperial was not directly involved in. Imperial had grown so big that a lot of things we just couldn't do, that were regarded as simply uneconomic, some of these exploration plays, the other companies were moving into. And working quite successfully. It was kind of frustrating I think, for a lot of people at Imperial during that time. The decision was made to get out of the provinces in the late 60's because it had been so long since there had been any kind of a major discovery and the predictions were not very positive. So a decision was made to move away from the provinces completely. In fact I was a major part in Imperial selling their computer well data system, which was what I had worked on from about 1962 until they sold it in the early 70's. That was a direct outcome of the predictions that said there wasn't a whole bunch more oil to be found in the provinces. At least there wasn't major discoveries to be made. And Imperial, as I said, they'd become so large that they just said, well, we're not going to explore for small fields. I think to a certain extent of course, they did not foresee in any way, the changes in the price of oil, major things that happened as a result of that, that changed the whole economics of the business. And I think also, Imperial, we were probably a little bit pessimistic, in terms of what really could be done. We'd worked in the area for so long that you start to think that you have all the answers and there aren't any more. That was a problem. But we did, as I say, we sold that computer system. Along about the same time that we were selling the computer system, which again was in the early 1970's period, the

Atkinson Point discovery was made, which was, I can remember at the time that that was just sort of the greatest thing that ever could have happened because people were not feeling all that great.

#057 NM: So it was a boost.

DS: It was a big boost. Unfortunately of course, it didn't pan out. It was one really super well but not a whole bunch after that in terms of any kind of follow up work on it. But it was a real boost at the time to doing things. I remember I was working, I was sort of part of a n exploration, in the same area as the exploration advisory group at the time and I can still remember the excitement of people like Don McIver, who's now the President or Imperial or Chief Executive Officer. Because they had, in the long range planning, they had not anticipated a major discovery until about 2 or 3 years later. And when they made one so early everybody was really excited. Boy, if we can do it this soon, now what do you we do after that, it'll be great. But things didn't quite happen the way that people had hoped they would. I think that when Atkinson Point didn't turn out I think there was a general sort of downturning again, in terms of people's ideas. By that time of course, there were a lot of other companies that were being very successful, not just Imperial. But as I said, I think those were sort of the most important things. We had some really good times.

NM: Can we talk about the purge of 1971 at Imperial?

DS: Yes, that was a real difficult time at Imperial because, as I said, that was a year or so after Atkinson Point had happened and things were not turning out and we'd made the decision to get out of the provinces. There was a new management at the senior exploration level. Of course, they wanted to do things their way. There were a number of people that I worked very closely with in that exploration advisory group that were very senior, had a whole bunch of time with the company that were just, in the eyes of senior management became dispensable and they were let go. Or retired early, or however you want to describe it. But they were basically determined to be dispensable and then they tried to figure out the easiest way to get them out of there. Some of the people I think, in many respects, it was the best thing that could have happened to them because it shook them up and made them realize that they really hadn't been working very actively in exploration for the past number of years. And some of them then got out and really did some good things, in a completely different area. One guy became a stock broker, reasonably successfully, and he still is and I think, is much happier than he ever was for the past while he was with Imperial.

NM: Was Imperial overstaffed at the time?

DS: No, I don't think so, not at that level. There were still lots of things to do. I don't think that was the reason, I think it was just they determined that certain people were redundant.

NM: Was the decision taken in Toronto or here?

DS: I think it was taken, I'm sure the decision was made in Toronto but I'm equally sure it was recommended from Calgary. As I say, there were some things that were quite right, there were other things that I think were quite wrong. Some people whose skills had

become a little bit, had become obsolete but were really, really working hard to try and bring them back up. I really felt disappointed that that work wasn't recognized. They were just let go. I think in some cases there were some old crosses that were being born, fairly or unfairly, I really don't want to comment on whether it was or not. But no, Imperial wasn't overstaffed at the time, I think it was just that a decision was made to, quote, weed out the deadwood. And one person's perception of deadwood is not necessarily another one's.

#112 NM: You left Imperial yourself in '74?

DS: Yes.

NM: Why?

DS: Basically I looked at the job that I had and decided that I didn't want to do that for the rest of my life. Because I was not in active exploration and I was not in data processing, but I wasn't in exploration, I was sort of sitting somewhere in the middle in general management. I wanted more challenge. I looked at my boss's job, which was the one that I thought I would normally have aspired to and I decided that I didn't really want to have that one either. So I said, I've really sort of got to poop or get off the pot. Either go back into active exploration or go into data processing, straight data processing. When I looked around the opportunity came up at Hudson's Bay Oil and Gas, which was in straight data processing management. It was a senior position and HBOG was growing and that seemed to me to be the best step to take. It was to my advantage financially and it got me doing something, I had been kind of bored where I was before.

NM: So then what did you do?

DS: Well then, as I said, I got right out of the exploration business and was the manager of information systems at Hudson's Bay Oil and Gas. I came into, it was a difficult, basically, a management problem that they had in their computer and data processing side. My job was to come in from the outside and try to pull this thing back together again, which had fallen apart basically. Nobody had any faith in anything that data processing could do within that company at that point in time. From their financial systems to their exploration systems to their production systems, they had a whole bunch of problems. It was basically a communication problem that wasn't working. They had as I said, a communication problem in which people just weren't talking to one another. The controller of the company and the previous manager of data processing hadn't spoken to one another for a year. Literally, they hadn't spoken to one another, they just didn't get along.

NM: Personality conflict?

DS: Real serious personality conflict and also a certain amount of incompetence I think in being able to, and disappointment in the fact that jobs weren't getting done, that sort of thing. So as I said, my job was really just one of sort of getting people talking to one another again and spending a lot of time talking to the controller. As well as the other departments of the company. That was a really exciting time because Hudson's Bay Oil and Gas was growing, their management was changing quite substantially. It had been basically, a company that was run, it was owned of course by Continental Oil Company,

or Conoco. Conoco had run the company to a certain extent, to a very large extent, they brought in their Chief Executive Officers and those sorts of people. In the period that I was there they were just in the process, and had for I guess, a number of years before I left and then it continued to sort of Canadianize the company, particularly at the senior management level. So that was one thing that was going on. The other thing that was happening in that company was it was growing, changing, from being a big small company, to a small big company. It had always been run, effectively, by the Chief Executive Officer, or the President. Whoever that President might be, the management style was the he was the boss and he made all the decisions and if you wanted something done, that was the place you had to go to get it done. During the 7 years that I worked at HBOG there was some significant attempts made, with success, at bringing the levels of authority down into the organization so that people could make decisions and do things on their own.

#174 NM: And talk to each other too.

DS: And talk to each other at the same time. It was a strange company in that respect. There were other sort of little minor political things that happened in the company, where people just didn't talk to one another. But as I say, it was particularly in the last 3 or 4 years, when Jerry Myer and Dick Hascanne came into the picture as President and Chief Executive Officers, they made some really significant changes in the company and the company was really just taking off at the time that I left. A lot of things had happened, even in the data processing side, we started out with about 35 people in the department, by the time I left there was over 100 involved in data processing in the company. It was a fun time, I really enjoyed that. The company as I said, was an extremely well run one. I enjoyed it. I'm not at all sorry, in retrospect now, that I left it because it was just a month after I left that Dome made their successful takeover of HBOG and that was a very, very sad day for the majority of people in HBOG.

NM: Why did you leave HBOG, Mr. Stauff?

DS: Again, I sort of had reached a plateau I think, in my career development. As I said earlier when I left Imperial it was because I felt that I wasn't growing and the job that I had wasn't the most interesting in the world. I had achieved all the things that I wanted to achieve at it and I didn't particularly want to go to the next level, that I could see opening up for me. At HBOG it was a little bit different because by the time I had been there for 7 years, and all the time I was the manager of information systems, I had achieved most of the things that I wanted to achieve in terms of that department, in terms of that organization. I had come in to some problems and I think that we had pulled some things together and by the time it was one of the better operating departments in the company and probably, I think, one of the better ones in the city from a data processing point of view. We had good moral and everybody was working together and all that sort of things. Again, I took a look at my whole card and said, where do I go from here. I could see that I had developed the reputation or the perception at Hudson's Bay as the guy that runs the computer department. I could see at the same time that, as the guy that runs the computer department it was not very likely that I was going to become very much more than that

because computer guys don't get to be exploration managers or production managers and it's only exploration and production managers that get to be presidents. So I sort of, when I looked at that I said, David, you're going to be here, if you stay here this is where you're going to be. I had no idea about the Dome thing at all. For about the last year that I was there I'd had some conversations with this consulting group that I ended up going with called McCallum, Stewart and Associates. That sort of led me to think that maybe, those conversations led me to think that perhaps if I wanted to get ahead, a) I was going to have to go to a smaller organization and b) I was going to have to get back into some kind of an area in which my exploration background would be recognized and would be used. Because at HBOG I don't think the senior management really took very much account of that background. Certainly it was not used very extensively at all, well, it wasn't used at all. So having come to those conclusions, after we talked some more to McCallum, Stewart and I knew the people at McCallum, Stewart, I'd worked with them 35 years previously at Imperial and . . .

#247 NM: So they were all former people from Imperial?

DS: Oh yes. The two principals, George McCallum and Gordon Stewart, George McCallum had been my boss and Gordon Stewart had been my roommate back in the 50's. So it wasn't as if I was going into a totally strange environment. And they needed somebody that could, a) provide them with some general management and b) introduce their organization to data processing and computers. At least that was what they perceived they needed and that seemed to me to be something that would fit. And they offered me a partnership so I thought, well, I'll take a go at it. It was a bit of a large step away from the corporate umbrella of big companies but that's what I decided to do.

NM: What was people's reaction at HBOG when they heard that Dome was taking over?

DS: It was a disaster as far as a lot of people were concerned. Because HBOG had a management style, it was really interesting because at the time that this was all taking place, just while I was sort of thinking about leaving there were all sorts of rumours. At one stage Husky was very close to buying the company. And everybody really looked forward to that, they thought that that would make a good marriage, between HBOG and Husky. Because their management styles were really quite similar. Basically fairly conservative but at the same time, into different things and growing and expanding and willing to give individuals good recognition for the work that they did. Dome on the other hand was seen as very much of a high flyer, very much of an ad hoc management style, if that's the word, I'm not sure. You know, you heard all sorts of strange stories about the way things happened at Dome. And people knew that was just completely foreign to the way that HBOG operated. HBOG had a fairly structured management. As I said, there was one guy that was boss and he made sure that things were done properly. Then even when Jerry Myer and Dick Hascane were there, although the authority was decentralized, it was decentralized in a very structured way. The company was well run.

NM: And that was not the case at Dome?

DS: And that was not the case at Dome, at least that was the rumours of course. I don't know whether it was true or not. I think to a certain extent it was because I've talked to people

that were there. What happened was that, this was the way people described things, in the high flying days of Dome, whoever got to the exploration manager first with his proposal was the one that got the money. They did not really have an exploration plan, they didn't have an exploration budget, things just happened. And whoever could make the biggest noise was the person that got things done. It was said at the time that Dome was a company, now recognize, they had a total of about 1,400 employees at the time, and it was said that Dome was a company of 1,400 entrepreneurs, everybody did their own thing. Everybody was out for themselves and did their own thing.

NM: [It was a race]???

DS: Yes, it was just a race. And that was completely foreign to the way that everybody at Hudson's Bay Oil and Gas operated.

NM: So there was no structure at all?

DS: There was structure in theory. But it didn't. . . even though there was structure it didn't happen. Their data processing organization was a disaster. I shouldn't say that probably but they had a lot of problems and the reason they had a lot of problems was because, you can't do data processing work without planning. You've got to plan ahead because when you're going to write a program you've got to know what you want the program to do. Well, Dome didn't have very much planning. So that was why their data processing department had a lot of problems. I don't blame the people in the department, it was just the way the company operated. So yes, there was a lot of very difficult feelings and unhappy feelings at the time, as that was taking place. I think in many respects, a lot of the people that joined Dome and were subsequently let go at the senior management level were treated very well, I think they were treated very fairly. Dome management in no way could be described as a bunch of hatchet men or anything like that. That was not the case, it was just that the management style was such that it made it very difficult for people to work together.

NM: This is the end of the tape.

Tape 2 Side 2

NM: Then you joined this new company.

DS: Yes. It was not a new company per se, the firm called McCallum, Stewart and Associates, had been in business about 6 or 7 years I guess, when I joined them. As I said earlier they had grown to such an extent that they had 23 employees and they needed somebody to sort of take over from a management point of view, and they also wanted to get into data processing activity at that time. They had built their reputation on heavy oil, on doing the geology of the heavy oil areas, in Lloydminster and McMurray, that general area. And had been very successful, they wrote reports and sold them to the industry and also did consulting work. The 2 principals, Gordon Stewart and George McCallum both had excellent reputations as geologists, particularly in the heavy oil area. So I thought it was a good deal, a good thing to join them. Unfortunately as I said, the negotiations for me to join them were going on during the period, sort of the fall of 1980 and the beginning of 1981. Things looked really good, when you looked at the last year's financials, however,

things even at the time, things were sort of starting to slow down as far as the industry was concerned. Everybody anticipated though, I think there was an attitude that said, you know, the government just can't let things get that bad. Like the Alsands project was still sort of trying to survive and everybody said, they just can't let Alsands project die, it's too important, too important to the country, too important to the industry. Well not just the oil industry but the economy of the country. However we were all wrong.

NM: And it was a bad time for the. . .

DS: Yes. At the time that I joined McCallum, Stewart, which was in the spring of '81, the Cold Lake project of Esso's and the Alsands project were both about ready to take off. But stuttering because of some of these other problems. We felt they just couldn't be stopped but they were and that was sort of the thing, that changed the attitude of the industry. Those 2 projects dying changed very drastically the attitude of the industry towards any kind of new ventures. Particularly in the heavy oil industry, it just effectively killed a lot of things. That didn't necessarily have to be killed but it was a perception I think, to a certain extent. People just said, well, if those things can't go we can't go so we'll just forget about heavy oil. And we struggled till about the summer of 1982, when my partner, the fellow that's my partner now, and I decided to set up our own organization and to get away from the heavy oil.

NM: Which was very wise.

DS: Yes, it was, I think, in retrospect. Because ultimately, McCallum, Stewart and Associates went down, when I joined it there were about 23 people, by the end of last year there was I think, 2. There was George McCallum and maybe 1 or 2 other people involved in the organization. Fortunately there's been some good things happen within the last year and they're I think, recovering and coming back to, probably not to what they were before but at least certainly, surviving. Which is I think, a tribute to George McCallum's, both stubbornness in not wanting to let go of the thing but also, to his abilities as a geologist and his reputation. As soon as things started to get better he's coming back again.

#058 NM: Mr. Stauff you were in Calgary at the time of the OPEC crisis in '73, what was the reaction of oil people here?

DS: I think people started to get really, really worried about what was going to happen in the world. It was in many respects, it was regarded as a tremendous opportunity for exploration but people were, nonetheless really, really scared as to what might happen. As the idea of having rationing and all the things that might come as a result of major shortages of oil caused a lot of panic with the public at large, in the industry itself it caused a lot of real concern.

NM: Did it come as a surprise of did people foresee it?

DS: I think it was probably foreseen maybe for a year, maybe 6 months earlier than the public saw it, but not much more than that. The idea of that sort of thing happening was just unheard of. In many respects a lot of the international oil companies were really genuinely confused because they couldn't understand how everybody was all of a sudden so very, very upset with them. They didn't really perceive that they had done anything that wrong.

NM: So it really came as a shock?

DS: Yes, it really did. You could see things happening but you kept saying, why. As far as the consuming public was concerned the price of oil had been kept down and low and the consuming public shouldn't have had a major concern, in that the price of the product to them had been maintained in quite a stable fashion. As far as the countries that were producing the oil was concerned, there was concern there too because people were saying, we really haven't done anything wrong, we've come in and we've helped you.

NM: And look now what happened.

DS: And we've done everything we could and you're an awful lot better off now than you were then. And all of a sudden you're all angry with us and you're going to upset the world economy because of this. And sort of, when the multi-nationals had been operating independently that there'd been a stable situation. I think in many respects a lot of the multi-nationalal economists, they could foresee some of the things that are happening today, in terms of national bankruptcies, in many countries, as a result of these horrendous escalations in price. They could see it happening but they were powerless to stop it. The oil companies I think were really sort of concerned. I think in many respects too, there were later accusations that the oil companies had sort of created the energy crisis. I don't think the oil companies ever made any conscious decision to do that, to create an energy crisis. I think to a certain extent what happened was they could see that if this continued there was going to be some real problems. If it continued. So they said, as good planning organizations, we better take steps to make sure that we're covered so that it doesn't happen. And that's when they started putting oil aside and they said, we better tray and get people to cut back because if this boycott or shortage continues, there will be some real problems and we want to avoid that. It didn't happen but people then perceived that the sort of, putting aside of the oil, they saw that as a kind of hoarding thing. It wasn't really hoarding, it was really I think, from the oil companies perspective, thought of as simply good planning.

#119 NM: Can you compare the training of the oil people in your time to what it is nowadays, has it changed a lot?

DS: I think it has changed somewhat in that, at the time that I started to work there were 2 things I guess. 1) the only training that was really given was given by the major oil companies. There was very little in the way of practical training that was given publicly. So in that respect the oil companies were really sort of the training schools for the industry. That's why you'll find, not so much now, but say in the 60's and 70's, just about everyone that you met had at one time worked for one of the majors, for Imperial or Shell or Texaco or Gulf of one of those companies.

NM: Yes, it seems they were good training grounds.

DS: Because that was where you got the best training. And the companies, those majors, they used to sort of accept that as sort of part of their responsibility to the industry. Knowing full well that if they recruited, say, 20 or 30 geologists in a year that 5 years later, they might only have 10 of them or maybe only 5. But they sort of accepted that as part of their responsibility to the industry and to the people that worked for them, to provide that training. I don't think that's, well, I know that's not the case now. I think they still have a

feeling of responsibility but I think the universities are providing better training in terms of producing practical geologists. I think most companies now have summer training programs for people while they're going to university so that when you graduate you're in much better shape to go into the marketplace. Again, also, there's a lot more companies operating, a lot more companies with a number of employees that can afford to do some training themselves, some on the job training. In addition, there's the companies that, there are a number of, if you like, professional training courses available. My little company puts on core seminars that people pay for. When I was with Imperial that would have been done totally internally. It's not anymore because it's publicly available.

NM: At the time too, it seemed somebody like George DeMille could be a self taught geologist.

DS: That's right.

NM: And nowadays is it possible?

DS: That's very, very difficult. Because there's a lot of. . .the whole sort of "professionalism" of the industry, of the exploration and engineering side of things, makes it very difficult for a person to be able to rise through the hierarchy like George DeMille did. The industry has also just become a lot more complex. And you need to know a lot more things to be a competent geologist, a lot more things than you needed to know 30 years ago. I don't know whether I mentioned it earlier, but my father, down in Peru, back in the 1920's, he took it upon himself, they had a shortage of engineers, and he said, I'll take these roustabouts and I'll train them to be engineers. And he did. I talked to one of them a couple of years ago. And he trained them and they did the job of an engineer, the jobs that an engineer had to do. I don't think that you could possibly do that now because the technology has become so much more complex.

#173 NM: That's right, it has changed so much too. You have been a witness to the ups and downs of the oil business, can you comment on that?

DS: It seems like there's been cycles. Quite a regular basis of ups and downs, of things getting better and going worse. I think in some respects what has happened has been sort of, how do I want to describe this, sort of like a sign curve, like a curve that just keeps going higher and also going lower. There was a slight down period in the late 50's, when some of the trainees were let go. Then there was another one in the early 60's when some people with a few years, 2 or 3 years experience were let go. Then there was another one in the late 60's, early 70's, where people with more experience were let go. There were still jobs to be found though. And that sort of situation of increasing downs and also increasing ups in between has continued to the point that, well, the biggest boom of all was in the 1979, early 1980 period, where things were just absolutely wild. I think the industry was grossly overheated. But of course, that has been followed since that time, with the absolute worst depression that we've seen in the oil industry at least, by a long shot. I think there's been a lot of people hurt by it, people that maybe didn't deserve to be hurt. And a lot of disillusionment as a result.

NM: What do you think of the National Energy Program?

DS: That's an interesting question. I think the National Energy Program in terms of its

objectives, the way the objectives were stated, were really quite sound. And quite I think, laudable. As a Canadian I think it's a good idea to encourage Canadian ownership and participation in the business. In terms of the way that it was implemented however, I think it's been an absolute disaster. I think it's an excellent example of very, very shortsighted thinking. It seemed as if, what has happened is, in trying to . . . it was determined that the way to encourage Canadian ownership was to discourage foreign ownership. Rather than providing incentives for Canadians, they provided disincentives, created disincentives for the foreign companies, foreign controlled companies. Not really recognizing or giving any credence at all, to the facts of the situation in terms of what those foreign companies had done and how they had behaved as Canadian corporate citizens. There were some that were quite selfish but I think the vast majority of the companies, of the foreign controlled companies operating in Canada did operate as good corporate citizens and as good members of our society. They got absolutely no credit for that, they were seen simply as sort of leeches. That was the way they were put across as leeches on the Canadian economy. I think that was a really, very, very unfair situation. Because the vast majority of them were Canadians, the vast majority of the people operating for those companies, in Canada, were Canadians. It was the odd company that still insisted on U.S. or American or French, or English, not just American, senior management. However they were a very, very small minority. The majority of those companies were run by Canadian people, in Canada and I think they really got a bum rap in terms of being, it was very uncomfortable at that point to be working for a multi-national because you felt that you should be sort of ashamed of what you had done. But you really hadn't done anything, you didn't think that you'd done anything wrong. And you couldn't see where the company had made that many bad decisions that were not in the interests of Canada. And in terms of control of the Canadian oil industry, it was pretty obvious that the province or the federal government owned all the resources and all the oil companies were doing was leasing them. The province, the Canadian people, were in complete control of those resources. They could change the rules any time they wanted to, which has been proven to be true. The whole idea of Canadian control I think, became a political issue that was really not. . .

#259 NM: It was mostly political.

DS: It was political and it was not, I don't think it made sense when you looked at the facts of the situation in terms of who was really running the show.

NM: What do you think of a nationalized company like Petro Canada?

DS: I think given the times that existed in the middle 70's and the late 70's when Petro Canada was formed, I can see and to a certain extent I can support, the reason for its existence. Again, I think some of the ways in which it was implemented were probably unfair, because they gave it a completely unfair advantage, in terms of completing. They could say, I can remember my brother talking about this, that when you sit down with Petro Canada and they say, let's negotiate, there's nothing to negotiate because they've got all the rules, they've got all the cards.

NM: And the money too.

DS: And the money. And they get to make the rules. So from that point of view I think Petro Canada has been sort of poorly implemented as a national oil company. At the same time I can understand the reason why the federal government would feel that there was a need for one. They could see that all of a sudden the natural resources, at least oil and natural gas, in the middle 70's, became a very, very significant part of the national economy. Previous to that, before the OPEC crisis it wasn't, it wasn't that significant a part. We'd like to think it was but it really wasn't. But when the price of oil went from \$2.50 to \$25.00 all of a sudden it became a very significant part of the economy. And they could see that they were out of control, that there was nothing, the way the federal government could have any control over that very important economic segment of the economy. So one way to have some influence in that is to become a player. I think that's what they decided to do. And I guess I can support that as a Canadian, I can say that I think that it was probably a good idea.

NM: You think Petro Canada is going to stay in any case?

DS: Oh yes, I don't think there's anything that can be. . .

NM: It's too big now, it's important.

DS: Well, yes, it is too big. But as I say, I think probably from that respect, it's a good thing. It's really interesting to compare say, Petro Canada, which gets all the big words, and Canterra, which is an equally federally owned company. But Canterra operates as a private, under the same rules as every other private enterprise company. And you don't get the same flack about Canterra. But they're both 100% owned. They're both government Crown corporations.

#314 NM: But the bad publicity is always on Petrocan.

DS: The bad publicity is on Petrocan and the reason to this is because they are the ones, it's Petrocan that got all the back-in clauses and all those major, I guess you'd call them, I'd just call them major advantages.

NM: But has Petrocan found any oil?

DS: Oh sure. I think they have, well, I know they have. They've got good people at Petro Canada, they're just like any other large company I think, now. I think at the same time, like many large Crown corporations, they have developed a very unwieldy bureaucracy.

NM: But it happens with every big organization.

DS: It happens with every big organization. The only problem is that in a Crown corporation it can get out of control, when there isn't the profit motive.

NM: How do you foresee the future of the oil business, here in Calgary and all across Canada?

DS: I guess I think the oil industry is certainly going to survive. But the major players in the industry have changed and I don't think revoking the NEP or anything like that, I don't think that's going to revive maybe some of the previous players but not to the same extent that it was before. Previously the country was dominated by the multi-nationals.

NM: This is the end of the tape.

DS: But since the NEP and all the things that have happened, as I said, the players have changed and the Imperial's and the Shell's and the Gulf's and the Texaco's are nowhere near, they're relatively minor players in the exploration area, both in the provinces and also in the frontiers. And I don't see that particularly changing. I think the smaller companies are going to become much more predominant and some of the companies, like the Home's and Bow Valley Industries and those companies that are currently sort of middle-sized will probably grow to become more dominant in the industry.

NM: So you are an optimist?

DS: Oh sure. I think there's still lots of good things to happen yet. You compare our situation to that in the U.S. and I think we're a few years behind them but I think we'll follow the same pattern. I think the frontiers are going to be very interesting.

NM: That will be the future.

DS: That's the big future. However, one of the things about the frontier, particularly in the offshore areas is that that sort of creates or requires quite a different, if you like, support network, support and services network. Everything is done on a much bigger scale. You don't have the little service rigs running around like you do in the field here. So that I think again, the players will change.

NM: Can you comment on the contribution of Alberta to the development of the Canadian oil industry?

DS: Contribution of Alberta. Do you mean Alberta as a province?

NM: As a province.

DS: I think Alberta has been sort of the key I think, to the whole thing, at least ever since Leduc. Having come from Petrolia I'd like to think that has helped in some background way, way back too.

NM: Because in fact, everything started in the east and came west.

DS: Yes, it all started in Ontario and then went from there all over the world really. Part of where it went to was Alberta. But Alberta has obviously been the major contributor and I think will continue to. Because we do in Alberta, have the infrastructure for exploration and I think you're going to see more and more, for example, Alberta companies, setting up offices in the eastern offshore area. Because they have the background and the contacts and the expertise to do the kind of work that's required in those areas.

NM: But the cost will be astronomical too.

DS: Oh yes. As I was saying earlier, the whole thing in terms of offshore and frontier things, it's just another magnitude more, in terms of dollars. It will take a lot more money. And the little one man shows are going to, that's going to be a difficult thing.

NM: Already so many small companies have disappeared.

DS: That's right and I think. . .

#040 NM: Do you think more are going to disappear?

DS: I think that depends on what happens to the industry in Alberta. I don't think that the industry in terms of frontier exploration and production, I don't think you're going to have small companies, little wee companies, in those kinds of situations. Because there's just too much capital required. Although small companies may be able to get in at the

exploration phase. But as soon as you go from exploration, assuming some success, to the production side of things, the amount of money required just increases again, by an order of magnitude. And the small companies just don't have access to that kind of capital.

NM: This is the end of the 2nd interview with David Stauff.

Tape 4 Side 1

NM: This is Nadine Mackenzie speaking. This is the 3rd interview with David Stauff. Mr. Stauff, I have notice that engineers wear a ring on their finger, especially in Canada. Why?

DS: It's a ceremony that was originated, I believe it was at a combination of the University of Toronto and McGill University. The tradition says that the initial rings were made from the girders of a bridge in Quebec that collapsed and the iron ring is intended to remind engineers of their professional responsibility by this having a piece of this bridge that failed. It's interesting that they did develop this iron ring ceremony which then spread all across Canada. The ritual of the swearing in of an engineer, which is the iron ring ceremony was written by Rudyard Kipling, of all people. And I'm not exactly how they managed to have that accomplished but it was done in the early 1900's. Since that time the whole idea of an iron ring worn on the little finger of your working hand has grown. In fact in Alberta now they have a similar ceremony for geologists graduating from the University of Alberta and the University of Calgary.

NM: Do they get a ring too?

DS: Yes, they do. But it's not really recognized as part of the swearing in of an engineer.

NM: And only Canadian engineers?

DS: As far as I know, I don't think the ceremony exists for any other engineers but Canadian engineers. There have been a number of problems with it. I know that at one time, because these things are made of iron they tended to rust a little bit. So some people took to going to some of the better jewellery stores and having them made. Unfortunately of course, when you do that you lose control over who has an iron ring and who doesn't. So they had to speak to Birks and to some of these places and persuade them not to make iron rings for people out of stainless steel.

NM: Is there something written inside?

DS: No.

NM: So there is no date of graduation?

DS: No, it's just a plain ring of sort of beaten iron.

NM: And what happens if you lose it?

DS: You can get another one. You just write to the registrar of the camp, I think it's called, that you are a part of.

NM: And give the size and so on?

DS: And give the size and your date of graduation and that sort of thing.

NM: So they can check if you are . . . ?

DS: Yes. So that they can confirm it. It's quite a neat ceremony. My son graduated as an engineer last year and I was invited down to present, only engineers are allowed at the . . .

NM: To present them.

DS: To present them, yes. You have to be an engineer, to be present even, at the ceremony.

NM: So like that, Canadian engineers can recognize each other because of this ring.

DS: That's right.

NM: That's a neat idea.

DS: It is. And I think it's a good one. It seems to sort of tie engineers together.

#036 NM: That's right. Let us go back to your career. Who were the most influential persons in your career?

DS: I guess there probably are 2 people who were most influential on me. One was a fellow by the name of Alec Milne, who I mentioned a little bit earlier in the tape. He was a supervisor of well site operations for Imperial in Regina. Alec was the kind of a person that really encouraged you to make decisions on your own. He really, to a very large extent, I was only a couple of years out of university when I met him, he taught me how to make decisions. And I think that's probably a most important part of anyone's life, in their life generally and in their work particularly. The other person had a sort of similar effect but a little bit later on, was a fellow by the name of Roland Prather. Rollie was an ex- football player but a very soft and gentle person. He was able, at a time in my career when I was having a few personal problems and at the same time was just sort of waffling in my job situation he effectively told me to get off the pot and decide what I wanted to do and do it. But he did it in such a positive way that I really did do it and I really felt good about it when I was doing it and I felt good about him during that whole process. I think those kinds of people come along in your life only rarely and it's really important. I think they have a much more important role in your life and both of these guys did too, much more important role in my whole life than really the time that I worked with them. I worked with neither one of them for more than about a year but I have difficulty thinking of anything that was more important that happened to me.

NM: So they had a very positive influence.

DS: They had a very positive influence on me, that lasted. I guess that was the most important thing.

NM: What were the most exciting experiences in your career?

DS: I guess there's been several exciting times. The first one was back in about '60, '61, when I first recommended that a well be drilled and this was a well in southwestern Alberta and it was drilled and it was successful.

NM: And it was your first well?

DS: It was the first well that I'd ever recommended and it really worked. I really got excited about that one I'll tell you. It didn't put any more dollars in my pocket but from a professional point of view I really felt good about that. Then I guess the next exciting time was when I was first starting to learn about data processing and writing programs. I wrote a program that was supposed to do something and it actually did it. It took a batch

of time to sort out some of the bugs in it but then it finally, actually, accomplished something that hadn't been done really, from a programming point of view before in the company. That was a really neat one. Then carrying on when I was still in the data processing area, when I worked for Hudson's Bay Oil and Gas, we needed a new computer and it took me 2 years to convince the senior management that that need was really there. When we finally accomplished it, that was a really good feeling and very exciting times because we were changing the whole technology of the data processing in the company when we did that. The last I guess, and I think probably most exciting times have been the last 2 years, since I've set up this little consulting firm with my partner called SB Geological Associates. To realize that we really could make it on our own and start to think, as we are now, that by golly this thing is really going to go and maybe we are going to be okay. That's a neat time.

#087 NM: What do you consider your achievements?

DS: Probably the biggest, or the most important achievement that I perceive in my career was my involvement in the development of a computerized exploration data system for Imperial back in the 1960's. At a time when there was really no such, there was nothing to follow, we were really pioneering in developing computer applications of this type. That was I think, I would say, in terms of contribution to the industry, that was probably the most important thing that I've done. In terms of other kinds of contributions or achievements, of course, I think that everybody would like to think that their family is an achievement. Sometimes it's an achievement just to survive the teenage years of your family but I'm quite proud of my children and my wife and my family. The other component to my life, which involves the volunteer segment has been an important part of my life for a long time. When you work for a large company there are times when it's a little bit flat so you look for areas outside of your business life to make a contribution. I've been fortunate that I've had a number of opportunities to do that in a number of different areas. First of all in mental health, with the Mental Health Association, I worked with my wife on that, that was particularly rewarding. Also I was involved in a group in Calgary called the Calgary Interfaith Community Action Committee and served there for a number of years. During which time some exciting things were happening, building some of the Interfaith housing projects and things like that. My role was not huge but I think it was important. In our own community I've acted as President of the Community Association a couple of times at various stages. We're always doing battle with City Council to prevent development. I'd like to think that in some way some of the speeches that I made before City Council had an influence for preserving our community the way it is. I think that's been an important part of my life too. So that's about it.

NM: Do you have any plans for retirement one day?

DS: Maybe some day but not as far as I know, in the foreseeable future. I think I mentioned earlier that the last 2 years have probably been an area of time that I've really been feeling good about the things that were happening. And I'm continuing to feel good and I don't see any reason at this point in time for retiring. If I ever get to the point where I've got so much money that I don't know what to do with it all maybe I'll retire but I don't think so.

#128 NM: You will just slow down?

DS: I might slow down. But I don't think I'll ever quit and do nothing. Although if I did, I might quit the oil business but I don't think I'd quit working. I'd probably . . .

NM: You would keep busy.

DS: I would continue to work, probably with some of my volunteer activities.

NM: Looking back at your career, is there anything you would do differently?

DS: Probably there's some things that I would have done differently, yes. In many situations I was reluctant to make a change until it was very obvious that I should. I probably should have left Imperial, maybe 2 or 3 years before I did. I probably should have left Hudson's Bay, maybe 2 or 3 years before I did. I think my whole involvement in the data processing area was longer than it should have been. I should have gotten back to the exploration side sooner than I did. But all in all it's worked out pretty well, I don't have any really serious regrets about it all.

NM: And the last question is, on the whole, what do you think of the oil business?

DS: Oh I think the oil business is a super exciting thing to be involved in. I can say that with some authority because I've been mentioning, I was involved in the data processing business for quite a number of years. Although the computer data processing side of things was growing and expanding and all sorts of things were happening, it really can't touch the oil business I don't think, for excitement, because to me the oil business by its very nature is always creating new things.

NM: It's never dull.

DS: It's never dull. You are always working on new things because if you can't work on new things, you're dead. You can't be in the oil business unless you're working on new things. At least I don't think you can anyway.

NM: Mr. Stauff I have really enjoyed interviewing you, thank you very much.

DS: Thank you.