PUBLIC RELATIONS ASPECTS
OF THE LEDUC OIL DISCOVERY

The material on the following pages was originally presented as a talk with slides at the Third Public Relations conference of the Standard Oil Company (N.J.) at Peekskill, N. Y., December 15 and 16, 1947, by G. A. Lawrence, manager, Public Relations Department, Imperial Oil Limited. It outlines the public relations aspects of the discovery, by Imperial Oil, of the Leduc oil field near Edmonton, Alberta, Canada during 1947. It has been prepared in this form in response to requests for it as a case study of a public relations problem.

As this went to press there were 40 producing wells in the field, 28 completed by Imperial, and the proven area was estimated at 8,100 acres with reserves estimated at 80 to 120 million barrels. The limits of the field are not yet known.

February, 1948.
The conditions which existed in Canada at the time of the discovery of oil at Leduc set the stage for the event.

Canada is an oil-hungry nation geared to an oil economy. She is second to United States in per capita use of oil in the world, but she must import more than 90 per cent. of her needs. Since 1942 her own small production had been declining. Imports had been increasingly hard to find. It was necessary to go farther afield for supplies, and as a result rising transportation costs were added to the generally increasing price of crude oil and products.

In addition, Canada had an adverse trade balance with the United States, and Canadians face a limited austerity program which impinges on the comfort of almost every person in the country. One of the reasons for the adverse trade balance is the heavy cost of importing oil.

There was an even worse prospect than high prices and the discomfort of an austerity program: there were rumblings that the United States, herself hard pressed for oil, might limit exports to Canada.

Yet the demand for petroleum products was increasing.

In this atmosphere the promise of a substantial crude oil discovery at Leduc was a dramatic and exciting thing, holding the hope of additional supplies, lower prices, and an important contribution to Canada's economy which would eventually be translated into a better life for all.
When the first drill stem test at our Leduc discovery indicated the presence of oil, we faced the danger of misunderstanding on several counts.

-- There was the very great danger people would think we had found 'easy money'.

-- There is a strong, active socialistic movement in the west alert to make political capital out of 'big companies'.

-- There was the danger that the public would become excited over the discovery because of the need for oil and then be 'let down' if the well petered out.

-- The laws in Alberta are such that ownership of mineral rights and surface rights is often separated. Thus some are made rich while others gain very little from oil produced on their land. There was the danger that we would be blamed for this state of affairs, and accused of robbing the farmers.

-- There was the very great danger that if the government and the people did not understand our operations and trust us, we would encounter government interference and excessive regulation.

Our greatest overall danger was the natural resentment of persons in all parts of Canada who might believe a big company had drilled a well and found a pot of gold which they had not earned. If the representatives of radio, newsreels and press did not understand what we were doing, impressions would spread which could do our company great harm in all parts of Canada. We encountered the beginnings of these misunderstandings almost in the first hours
after this successful drill stem test.

-- The press demanded information - Leduc is only 16 miles from
Edmonton, capital of the province of Alberta.

-- All our senior producing officials were at their offices in
Calgary, remote from Leduc.

-- The well, in completely untested territory, was a 'tight hole',
so drillers refused to talk.

So the press turned to anyone from whom they could get a scrap of
information.
Mike Turta, shown here, the farmer who owned the land on which the well was located, became an 'authority'. Our drillers say Mike had never been nearer the well than his barnyard. He is of foreign extraction and speaks broken English. In this clipping, one of many, Mike Turta is quoted as saying '... the gusher shot into the air about 90 feet, covering the inside of the 155-foot derrick ...' and, further down, '... said he believed other wells soon would be drilled in the area.'
Let's go back and look at that 90 foot gusher.

There was no gusher -- only a flow to the flare several hundred yards from the well.

I show this as an example of the misunderstanding we suffered in the first few days of the discovery, and to illustrate how easily such misunderstandings come about. Already the impression had been created that we had struck an immense flow of oil.

We were in the public spotlight Earl Newson talked about at our first public relations conference here two years ago.
Our image at Leduc was being reflected by radio and press in every part of Canada. Fortunately we had made preparations for such a moment because we hoped and anticipated our exploration program would eventually result in the discovery of oil.

Our policy of complete frankness was dictated clearly and immediately at board level. Our president, Mr. H. H. Hewetson, clarified the situation at once with a matter-of-fact statement to the press. We had the most complete cooperation of management at our executive offices and in the field. Everyone did his part; exploration people later met and talked to the press, gave speeches, talks on the radio, distributed literature, entertained visitors. This was a team job.

As fast as communications permitted we set about to handle the situation at Leduc. It was decided to make a 'special event' of Leduc No. 1.
More than 300 persons came to see the well open in. We had Alberta government officials, civic officials, oil industry groups.

We held a press conference in an Edmonton hotel on the day we hoped to place the well on production. We introduced news and radio men to our geologists, seismologists, production engineers, senior officials and others. They gave talks about our exploration work, the events leading up to Leduc, and about the discovery well itself. Questions were encouraged and frankly answered. Then we drove out to the field.
More than 500 persons came to see the well come in. We had Alberta government officials, civic officials, oil industry groups, some faculty members of the University of Alberta, prominent citizens. Many persons came from far and near without invitation.

The Mayor of Edmonton, seen at the right, enjoyed himself thoroughly.
The Canadian Broadcasting Corporation made a coast-to-coast broadcast of the event and an Alberta network later made a half-hour actuality.

We arranged for Honourable N. E. Tanner, minister of lands and mines for the government of Alberta, to turn the valve actually putting the well on production.
By special arrangement with the Alberta division of the Canadian Weekly Newspapers' Association, we had some of their executives as our guests, resulting in province-wide coverage by the weekly press. One of the executive, himself the owner and editor of a small town weekly, wrote a by-line story which he distributed on behalf of the association to every weekly in the province. We supplied him with mats, which he sent with his story.
This is what was seen as the well came in. It was quite an inspiring sight.

However, the work of the public relations department was just beginning. Now came the dangers ------

-- of a 'let down' if the well petered out and failed
-- of bitterness on the part of those not owning mineral rights beneath their land
-- of accusations of easy money found by a big oil company
-- of the farmers who would say their rich farm land was being spoiled for agriculture
-- of government interference and regulation
Therefore, from the very first, we provided the government, press, radio, newsreels and the visitors to our wells with up-to-date, factual, interpretive background material.

We told them of our long search for oil, the cost, of the failures of other promising wildcat wells, of the vital need for domestic oil production to bolster our national economy.

As the field developed press background material was constantly revised so that it contained complete, up-to-date factual data. It was regularly distributed to all interested parties and widely used.
Press and radio people in Edmonton knew nothing about the oil business at first hand. So that they could do their job more intelligently we conducted visits during which our technical personnel explained and discussed our operations. Editors and editorial writers, reporters and radio men came to the wells several times. We usually came back to the hotel in a group with several of our technical people and sometimes discussions went on far into the night.

For reporters newly assigned to the "oil beat" we also conducted private 'short courses' in the technology of oil exploration and development which resulted in a better understanding of our operations and several favourable stories.
To promote understanding among Edmonton citizens we prepared a series of six informative articles about the oil business which were given feature play by both Edmonton dailies throughout one week.

We also made suitable material easily available to the radio stations and they gave short informative talks. For instance, we were interested in educating the people to the necessity of conservation in spite of the need for oil, and much information was broadcast on this subject.
We did several other things - - 

-- We set up a fast and authoritative press information service for spot queries

-- We supplied our employees with information

-- We arranged showings of our exploration file 'Search Unending', which illustrates the high cost and uncertainty of the search for oil and was to some extent made in anticipation of a development such as Leduc

-- We arranged for speakers for service clubs and community organizations

-- We published stories in our house publication, the 'Imperial Oil Review' and based interpretive press releases on these

-- We published a Review story on the complex mineral rights situation which we distributed to all lease-holders

-- Through Dr. Frey of our farm group arrangements were made with the government and University of Alberta for assistance in weed control and soil restoration at wellsites

-- In the same way Dr. Frey arranged marketing farm meetings in the area so that weekend visitors would not feel so imprisoned

-- We provided the two Edmonton dailies with assistance in the preparation of a large special edition and supplied an advertisement which has been widely commented on

Mr. Hewetson and other directors took an active interest in the development of the field and their frequent visits and clear and forthright statements did much to mould public opinion. On the executive level also there was constant interchange of information with the government.
While all these things were taking place, and as the field developed, as many as a thousand visitors would flock to our wells on a single week-end afternoon.

We hired university students as guides, set up displays and in general tried to respond in friendly fashion to the interest of the public in us . . . we were hosts to our own employees, to school teachers, service clubs and other community groups to see our operations as the field developed.

So that week-end visitors would not get lost on unimproved country roads, we set up signs pointing the way to the wells. We directed visitors, by means of these signs, to wells where we were prepared to handle them.

We also identified wells being drilled by Imperial personnel and those being drilled by contractors, because we wanted the public to know when they were talking to someone who was not an Imperial employee.
DRILLING FOR OIL AT LEDUC

The discovery of oil at the Imperial Leduc No. 1 well has stimulated an interest in drilling in this vicinity which is bound to continue for some time. Once oil has been discovered an effort is made to establish the boundaries of the field. This can be done only by drilling, and there is no way of telling whether the rock will be productive until the drills have bored their way down through it.

At the present time Imperial Oil Limited is drilling a number of wells, of which this is one, in an effort to establish the limits of the Leduc deposit.

Drilling Rigs Bore Deep

The tools and equipment used in drilling any of these wells may vary slightly but are generally very much the same. The drilling rigs vary in size; some are portable, and may be broken down and moved in sections from one well site to another. The rig which drilled Leduc No. 2 is portable. It is capable of drilling to about 6,000 feet—well over a mile in depth. What are known as heavy duty rigs are also being used. These have to be taken apart and built up again when-

A WORD OF CAUTION

Inflammable natural gas and oil may be produced during work at this well; for your own safety and the safety of our crews we must ask you to remain at a safe distance from all operations.
ever they are moved. The rig which drilled Leduc No. 1, and which was then moved to No. 3 well is a heavy duty type rig, capable of drilling to about 8,000 feet—more than a mile and a half.

The small building built like a lean-to, which stands at one side of the derrick, houses the engines. Some rigs have internal combustion engines and others use steam. The rig used at Leduc No. 2 was powered with three 175 horse-power Diesel engines.

Mud Helps the Driller

Large mud pits will be noticed wherever there is a drilling rig in operation. Mud is very important in drilling. It is being pumped continuously down to the bottom of the hole and back up again during the drilling. The drill pipe or drill stem—lengths of which may usually be seen lying near a derrick—is hollow. The mud goes down the inside of the pipe and comes back up the outside, between the drill pipe and the inside of the hole. Mud is useful for many things. For instance, it helps prevent the walls of the hole from caving in, lubricates the bit as it drills on the bottom, and carries up the rock cuttings to the surface.

Changing Bits Means Work

In the middle of the derrick floor is a rotary table. The drill stem runs down through the centre of this and as the engines spin the table the drill stem is also turned. The weight of the drill stem, however, is held by the travelling block which may be seen above. The drill stem turns in a swivel below the block.

When a bit becomes dull, the entire drill stem must be lifted, uncoupled, and stacked length by length in the corner of the derrick so that a new bit can be substituted.

Rock Samples Tell Secrets

When the well is being drilled the well-site geologist watches the cuttings carefully. A knowledge of what lies under the ground is exceedingly important in developing an area such as Leduc. Each well drilled will, whether it produces oil or not, yield important information about the underground structures and will help to determine where other wells should be drilled. Sometimes the geologist asks the drillers to take core samples. To do this a special drilling bit is used which brings up a solid cylindrical core from the bottom of the hole, permitting detailed study of the formation.

Testing Gives a Clue

Sometimes drill stem tests are taken. These are rather complicated, but in simplest terms they permit the oil man to lower a hollow tube right down to the formation in which he is interested, to see whether he has discovered anything there. Sometimes he gets salt water, sometimes natural gas, sometimes oil; he may get any two or all three of these, or nothing at all. The drill stem test is not conclusive. It may even give false information, because small pockets of gas or oil may be found which peter out quickly.

Pressure Drives Oil Up

If an oil producing zone is found, however, and the drill stem tests are favorable (as they were at Leduc No. 1) an attempt will be made to put the well on production. A steel casing is lowered and cemented to the sides
of the hole. The drilling mud is swabbed out of the hole and if the well is a good producer the pressure of the oil and natural gas trapped in the formation below will cause it to push its way up to the surface.

Before this happens a pipe line is laid from the well head to a separator, which is a tall, thin cylindrical tank, not unlike a household hot water tank. Because of fire hazard this is located quite some distance from the well head. In the separator are a series of flat plates. The mixture of oil and natural gas goes in about half way up; as it flows over the plates the natural gas bubbles to the top and the oil drops to the bottom. After a certain amount of oil collects a valve is automatically tripped and the oil is forced out into storage tanks.

**Western Canada Needs Oil**

Imperial Oil is pleased to have you view its operations at Leduc, and hopes this very brief account may help in an understanding of them. We believe the search for oil is important to the west. Oil is not easy to find; during the past ten years Imperial Oil has drilled more than 114 exploratory wells in the western provinces, and until Leduc No. 1 did not encounter oil in commercial quantities. If all these dry holes were placed end to end they would stretch nearly 100 miles! However, it is hoped the first encouraging results at Leduc will finally result in the development of a field. If it does it will help everyone, for the west is short of crude oil and importation by rail is a costly business.

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Imperial Oil Limited, Producing Dept.
Calgary, Alberta.
Even the Governor General of Canada, General Alexander, (Viscount Alexander of Tunis) and his wife and family, came to visit Leduc.

People who came to visit our wells wanted information, and our guides and drillers could not always answer them in person.

So we prepared an informative, interpretive little leaflet 'Drilling For Oil at Leduc' which was placed in 'Help Yourself' boxes.
It is not uncommon for companies to face difficulties in understanding the needs and preferences of their customers. Often, this is due to a lack of understanding of the market and the competition. However, by conducting market research, analyzing consumer behavior, and gathering feedback, companies can gain valuable insights into the needs of their customers.

For example, a company that produces alcoholic beverages might find that a certain segment of the population is interested in non-alcoholic drinks. By understanding this, the company can tailor its products to meet this demand and potentially increase its market share.

Moreover, companies that prioritize customer satisfaction tend to have higher customer retention rates and loyalty. This is because customers appreciate being heard and valued. Therefore, it is crucial for companies to invest in customer service training and to establish effective communication channels.

In conclusion, understanding the needs and preferences of customers is crucial for the success of any business. By conducting market research, analyzing consumer behavior, and prioritizing customer satisfaction, companies can increase their chances of success in a competitive market.
Crown. On the same terms as demanded by the
operator, to secure a lease from the Crown.

If after investigation, the company de-
might reasonably be to get

expendition would probably be to secure a

imposed provincial mineral taxes.

is the province to which it desists to

Western Canada is the largest proportion

velopments. So many factors are involved
a drilling ng.
rental for a small parcel of land occupied by
the mineral rights owning neighbor is being
paid a royalty he is getting nothing except
the mineral rights. So the neighbor is happy that while
he doesn't own the mineral rights. It doesn't own the
mineral rights. Then, too, there is the surface owner who
may have paid a royalty for the right to drill for oil.

And that's all.
the nor his neighbors might have had any
thing to do with the price of the oil produced from under his land—and
and the oil that sells for $2.50 a barrel the output of
the oil has gone from the neighborhood of $100,000 a year on an investment of absolutely
nothing. Something in the neighborhood of $200,000 or $250,000.

However, it is when a discovery well sells
money. Upon the ground for a return on their
of them may look to the stock market rather
of each other. But our experience, can
counter with each other. Our experience, can
might have been found. Later, there's
olive oil has been found. Later, there's

The pioneering company spent millions

so it may.
Every barrel of oil produced will displace a barrel of foreign oil (which, incidentally, is a taxpaye’s burden on the taxpayer).

Licensees are subject to the burden of the government from the revenue derived by the community and the government. So the royalty recipients, will increase the royalty payments, going regularly to the royalty owners.

Individual taxation assessed property values and help reduce housing and spending the oil will add to these factors. Permanent construction for ware-houses, permanent construction and operating costs, plus the increased costs of the oil industry will become a tax.

Attitudes in the vicinity will be affected by the activity.

The company can stress the benefits which the operation will bring to the community. The lack of an oil company, and it is no
Reduce the farmers’ power costs and his production costs are also lowered; reduce production costs in agriculture and the entire nation will benefit.

Only a very few of the many who make up the community may have cashed in on the “easy money” which flows in the wake of a flowing well, but the substantial and lasting benefits which the development of an oil field will bring to all the community should be demonstrated and driven home by every legitimate method available to the operating company.

Leduc emphasized the need for some such system of education. It also demonstrated that the public reacted favourably to the steps taken and the methods employed to satisfy their natural curiosity.

The man who drives his “Model T” over 10 or 15 miles of gumbo or gravel to have a closer look at the derrick which has appeared on his horizon is entitled to a better reception that a “Keep Out; That Means You” placard.

He got more than that at Leduc and appreciated it; he came again and brought “his mother and his sisters and his cousins and his aunts,” all prospective customers for Imperial products.
We also prepared a booklet entitled 'A Lesson From Leduc' which has been sent to every employee in Alberta and selected other persons. It endeavours to tell employees how we as a large oil company can protect ourselves from misunderstanding in such circumstances as those prevailing following the discovery of oil at Leduc.
That is how the old man's crop was sown. The earth was a perfect sphere, with the seed sown deep under some parts of it. The surface of the earth was covered with liquid called water, and the seedlings grew from this water. The earth was a perfect sphere, with the seed sown deep under some parts of it. The surface of the earth was covered with liquid called water, and the seedlings grew from this water. The earth was a perfect sphere, with the seed sown deep under some parts of it. The surface of the earth was covered with liquid called water, and the seedlings grew from this water.
By nature, Tilt is how the oil pools crop has been hidden. By drilling deep into the earth, water or oil will be found. There is no way to tell exactly what lies beneath the surface. Oil, water, or even saltwater, the rock layers, must be explored. The oil may be found in the rock above the water. A test well is drilled to check if the oil exists. The test well may also reveal saltwater or water. Once the oil has been located, the drilling rig is used to drill into the oil pool. The oil is then pumped to the surface where it can be collected.
The field geologist finds his best clues in the deep

[Diagram of a geological formation with labels and arrows indicating the location of various features.]

The well-dressed rocks

The geologist looks for clues in the rock formations, searching for evidence of past geological events. He studies the layers and patterns to understand the history of the area.

The field geologist also studies the plants and animals found in the area, as they provide additional clues about the environment of the past.

Soils and sediments are key to understanding the history of the area. The geologist looks for evidence of past climate changes, as well as the activities of ancient species.

The field geologist's work is essential in understanding the Earth's history and its potential to reveal valuable resources.
search for oil.

Thus does the core driller help the men who
house and in universities:

fully equipped, for reference—in special store.

ish of years ago are today obliterated—and care-

some of the less common minerals, and discards

All the drill composites are carefully preserved and

learn from their fossils and minerals.

some information from them that the rock geologists

watch and study these cores, and obtain much the

geologists who are specialists in subsurface work

surface.

chink cores of the rock and brings them to the

drill for study. But the plains and plains of the

rock below, in the coals, are deep, and the empty

small of the western plains is found the rocks of

The core driller is the man who peers under the

Core Drilling

How Oil is Found
When the men in charge decide whether they should bomb, with the help of the geologists and the geologists, they will have been equipped with the tools to cut through the crust of the earth. The tools are called seismographs, and they are used to measure the force of the explosions of gas or oil that result from using explosives. By measuring the force, the men can decide whether it is safe to carry out the planned operation.
During the 10 years before Imperial Oil found oil
continue in the face of such disappointments.
In 1922, the company spent $10 million to buy
and drill another 100 miles of such 'dry' wells. The company had
spent $20 million on drilling, yet the drilling rigs were
flown to the West Coast and to far eastern Canada.

The drilling rig has become the symbol of the

THE DRILLING RIG

0:1
OL is precious and once it is found it is important.
ECONOMICAL PRODUCTION

Of everyone of the greatest possible contribution to the well-being
when oil is produced slowly through a large surface.
When oil is produced slowly through a large surface.

WASTEFUL PRODUCTION

Of everyone of the greatest possible contribution to the well-being
when oil is produced slowly through a large surface.
When oil is produced slowly through a large surface.
musters they visit them in the continuing search for oil. An industry as a whole is a buyer of raw materials and a seller of finished products. Oil is the key product of the industry. The industry operates on a large scale, producing large quantities of oil and other products. The industry is subject to fluctuations in oil prices and their effect on the industry.
musties they visit in the continuing search for oil.

...609 Second St., West, Calgary, Alberta.

Coastal Oil Western Processing Plant.

for the additional copies of the booklet.
Imperial Oil’s function is to render useful services and to deal frankly and fairly with all concerned: the customer, the community, the employee and the shareholder

President
Because of the intense interest in our industry as a result of Leduc we have prepared another booklet called 'The Oil Seekers'. We have run 25,000 copies of this as a beginning, about half of these for schools. A reprint will be run shortly. It will also be widely used by our personnel in the communities they visit in the continuing search for oil.

In Edmonton the school authorities have asked for one of these for every student in secondary schools.
Where Enterprise Helps

Recently President Hewetson of the Imperial Oil Company announced that the company planned a $25,000,000 expansion program even in a speculative venture.

There are certain jobs which governments can do for the people probably better than private enterprise. But risking money in wildcat wells in search for oil is not one of them. The people of Alberta will get their share out of royalties which the Government will collect from wells after private enterprise has found them.

In an area where there are strong socialistic leanings we have endeavored constantly to tell the story of private enterprise. We have had much editorial support.

These excerpts, from an editorial in the Lethbridge Herald, are one example. 'There are certain jobs which governments can do for the people probably better than private enterprise. But risking money in wildcat wells in search for oil is not one of them,' and so on.
To summarize, these are some of the things we have tried to do at Leduc:

-- by means of such things as films, speeches, pamphlets, information to employees, liaison with government, exhibits, advertisements, timely statements, press releases, background material and the use of guides and displays at our wells we have endeavoured to show that our policies and actions are in the public interest, and to gain a sympathetic understanding of them,

-- we have endeavoured to explain the complex mineral rights laws to farmers so that they will not blame us for something beyond our control,

-- the company is endeavouring by its actions at the wells, in such things as weed control, soil conservation and restoration and other sound practices, to set an example which will foster good will and public sympathy.

We do not feel we have a perfect record at Leduc -- if we were doing the same job again we might do several things differently. Our public relations work, too, is far from finished. A model town is being built. A pipe line has been constructed and will be extended. The Whitehorse refinery is being moved to Edmonton, a tremendous task. Leduc is a continuing problem which will be a challenge to us for a long time to come.