

PETROLEUM INDUSTRY ORAL HISTORY PROJECT TRANSCRIPT

INTERVIEWEE: Paul Greenwood

INTERVIEWER: None – Mr. Greenwood records his story himself

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Side 1 only - 38:00

There is a bit of a snow flurry going on. So maybe it's a good time to start talking about the good old days in Redwater.

My own involvement started in the summer of 1950 when I was a student engineer with the old Petroleum and Natural Gas Conservation Board. The field engineer was Frank Manyluk and his assistants were Doug Craig and Ron Kinsley.

Our big job was chasing daily production figures from all the individual operators in the field. It really was quite a chore and the figures were actually in the main, quite meaningless as everywhere else seemed to make its 250 barrel per day quota. One of the hardest people to get production figures from was Ed Lakusta who was a battery operator for Gulf. Well, we had a terrible time with Ed and never ever believed his figures.

The summer of 1950 was the year that they brought in pro-ration?? to market demand to control provincial oil allowables. As a result, Doug Craig went to Calgary to start up a reservoir engineering section for the Board. Much of this work had been done previously by Goldie Lismer. But I think his time had come.

Ron Kinsley became the field engineer after Frank Manyluk went into Edmonton to become the Northern District Engineer for the Board. Ron leader went into the Reservoir Department in Calgary and then joined Mobil Oil where he had a distinguished career, and I think he's now retired and living in Dallas.

Redwater didn't really get the play that Leduc did of course. But it did have its own little highlights. Some of the local color involved very active local merchants. One in particular was Lloyd Lesnick, now deceased who ran the Marshall Wells hardware store. He was a very enterprising guy, extended credit like you wouldn't believe and would journey into Edmonton twice a week to pick up items that he didn't have in stock. Great guy. Another enterprising merchant was Jack Milner from the Redwater Merc. He also would make trips into Edmonton to obtain articles that he didn't have in stock. And he also made the claim that if you found an article at a certain price in Edmonton, he would supply it to you for the same price. And as far as I know, he never went back on his word, another good guy.

The headquarters for the morning coffee brigade was the Redwater Cafe run by Pon Lee. If you wanted to see anybody you either went there about seven in the morning or about ten in the morning and invariably anybody you wanted to see would drift by to play a little game of "birds in the bush" for the coffee.

The CIBC bank manager, a gentleman named Jack something and I can't remember his last name, was also another entrepreneur. Jack's only problem was he liked to do a little too much of his business from his favorite table in the Redwater hotel with sometimes disastrous results with some of the more antagonistic loanees, if that's the right word.

Imperial of course built the town site where all the oil people lived. They didn't seem to be ever that kind of clash that forced Imperial from Leduc to Devon. All the people in Redwater seemed to welcome the business of the oil industry and were all exceptionally glad that their sons had a place to work besides the farm.

The utilities in Redwater, I think we're regionally built by Imperial, Benny Hochhausen could probably straighten you out on that. But Imperial found them out to the Redwater gas company and the Redwater water company. The gas came from two basal cretaceous wells in the field just east of town. The water came from wells drilled on an island in the North Saskatchewan River near the mouth of the Redwater River. It wasn't good. But again, it wasn't bad.

The development of the Redwater Field presented a few interesting local problems, the main one of which was the Sand Hills which passed through most of the field. It required special road construction techniques, which I'm sure that Benny Hochhausen developed. It involved hauling clay from a pit on the North Saskatchewan River, laying it on top of the sand until the sand quit spreading and then covering it with a foot of gravel. The only problem was the resulting road was a little on the narrow side, so if you met a loaded truck, you took to the sand, the truck pulled you out and everybody went on their way. Another interesting local problem was access to Edmonton. There wasn't a paved road within miles. So every Friday night or Saturday morning when you were planning a trip to town you inquired around as to the best available route. There were four selections. The first one was the old Victoria Trail which, provided it didn't rain, was generally the smoothest. Access to it was six miles straight west of Redwater. The Victoria Trail originally ran from Edmonton to the Victoria Settlement on the North Saskatchewan River, south of the town of Smoky Lake. I don't think you can travel it now. I think it's all been cut up by fences and fields and whatnot, but it was a pretty trip and the one most often used. Another option was to go south of Redwater and cross on the Bruderheim ferry, taking a dirt road until you got to the Fort Saskatchewan Highway and then on into town.

Highway 28, ostensibly the main route, was generally a terrible piece of gravel road all the way to Namao, where you hit pavement for the eight-mile run from Namao Corner into Edmonton. What a relief. And the final option was to take Highway 28 to the Gibbons Junction and then go so through Gibbons until you hit the Fort Saskatchewan Highway just across the river from Fort Saskatchewan and on into Edmonton, on a piece of pavement through Horse Hills and Oliver. Anyway, it was always an exciting trip, winter and summer, and caused a lot of laughs and a lot of broken springs.

[00:08:51] Should talk a little bit about the pipelines I guess, Aubrey, I already mentioned to you and you already knew that the official start of the Interprovincial Pipeline was Redwater, a short line into Edmonton and then it headed east. I don't remember any of the Interprovincial Personnel in Redwater, unfortunately, but perhaps you've already contacted some of them. The major gathering system in the field was of course Imperial Pipeline. The manager of the day was a gentleman named Bill Campbell, and I don't know if he's still around or not. A good friend of mine and an old Redwater neighbor Horst?? Antoniak, started with Imperial Pipeline loading rail cars at the Korinsky sighting. He's retired from the oil patch now and living in Camrose. If you needed any in more information on Imperial Pipeline, I can get you his address.

BA Alberta Pipe... [pause in tape] Pardon me Aubrey. All this talking is giving me a frog in the throat. Anyway, as I was trying to say. BA Alberta Pipeline was a minor gathering system in the field. I think they had about 20 or 25 percent, the rest being Imperial. BA Alberta Pipeline's manager was a fine guy named Ken Lloyd, who later became the head man for Rangeland Pipeline for ???

[00:11:02] Well, I'm really... stopped to answer the phone and then get busy on other things. So now it's the day after the U.S. Election, the sun is shining and I'm trying to carry on with this tape.

Saltwater production was always a major problem in Redwater right from day one, especially on the east flank. Large quantities of water were being produced as early as 1950 and '51. Pit disposal of course was the standard method, and because of that type of disposal the wells were subject to a water oil ratio penalty factor on the crude production. Imperial Oil had a huge saltwater disposal pit out in the Sand Hills east of Redwater on the east side of the Redwater River.

Saltwater was trucked in 7 days a week, 24 hours a day and yet there was only a very small amount of water in the pit along with the usual oil and scale scum. In 1951, The Board became concerned about what was happening to this saltwater and an engineer from Imperial named Jim Henderson, and I conducted a survey. We tested all the homestead water wells, most of which were hand-dug and sampled the Redwater River from near the pit right down to where the river entered the North Saskatchewan. The only interesting fact was that all the homestead water wells were contaminated with a high amount of nitrate.

[pause in tape]

Found any indication of high salt water concentrations or abnormal concentrations in the Redwater River anyplace.

[00:13:38] Unitization of the field was brought on in 1951 or '52 by Imperial. Imperial really considered that Redwater was their field since they had over 500, I think it was about 550 wells out of the 920-odd that were in the field. They considered it was their field and all the rest of the companies were merely interlopers, so what was good for Imperial was obviously good for everybody else. Willis Gibson chaired the Redwater Operator's Committee and they proceeded to conduct many, many studies on unitization. The fact of the matter was there was no, really no good reason to unitize because there was no real reservoir enhancement reason.

The natural water drive supplied from the Morinville Reef gave an expected 60% recovery factor without doing anything more than returning produced water to the formation. Therefore the upshot of all unitization hearings was the formation of the Redwater Water Disposal Company. It really turned out to be a good thing because in those days the Board gave barrel for barrel credit so that if you reinjected all your produced water to the production formation, you got full credit on your oil allowable. I imagine that really meant more to the operators than anything else.

There were few major players in the field other than Imperial: Western Pacific and Dome all had about 80 wells each. Texaco was a player but as usual, they were in everything.

It was interesting to note that because of Redwater's situation on the Morinville Reef and because of the amount of fluid that was being withdrawn from Redwater, the Board and Imperial got the idea that maybe they should measure bottom hole pressures in the Morinville Reef.

There's an old well out west of Redwater with which you may be familiar called Imperial Lilydale Number One, which penetrated the full Morinville Reef section. It was cased and left as a pressure observation well and both the Board and Imperial ran monthly bottom hole pressure surveys on this well. To my knowledge, they never ever did find any change in the pressure which really isn't surprising given the magnitude of the Morinville Reef complex.

[00:16:49] The Redwater D3 Reef was really a very amazing phenomena when you think about it. It was only 3250 deep on the average. Pay thicknesses were as great as 106 gross feet. The permeability was excellent, and the productivity of the wells I believe exceeded the Leduc D3 Reef. I don't imagine we'll ever see a field like that again.

The Redwater Reservoir was characterized by being very under-saturated so that although gas production in the early days was apparently high, in the long run gas gathering was only a very marginally economic proposition. A plant was eventually built but I don't think it really lasted too long, and as the wells watered out, of course, the gas production drastically dropped.

[00:18:06] Should talk a little bit about some of the companies that came to Redwater early on in the game. One that comes to mind was the Ohio Oil Company, who had a quarter section on the east flank of the field out in the Sand Hills. What really reminds me of Ohio is a gentleman named Mr. Brasseur, who was their operator. That was in the days when companies built houses at the batteries for their employees and Mr. Brasseur, living out in the Sandhills and looking after a four-well battery, managed to raise a large family and he was one of the most faithful when it came to bringing in the weekly production figures. Funny how you remember certain people.

Ohio's Production Foreman for the area was a gentleman named Jack Donnelly from the States, a very fine person. I never did hear what had happened to him.

Anglo-Canadian, the old Turner Valley company, bought land at an early sale and developed a three-quarter section block just west of Redwater town. They build a typical Turner Valley battery complete with lots of tanks, steam boiler, and lots of separators. It was from this battery that they had 26 trucks hauling oil 24 hours a day. I can't remember whether it was to Korinsky or to Edmonton.

Eric Harvey's company, Western Leaseholds, was also an early player in Redwater. Their early property was developed on contract with Imperial Oil that Western had the right to take over at any time which they did in 1950. They established an office in Redwater and brought some of their people from Lloydminster and Wainwright. The Field Foreman was a gentleman named Bill Scutchins, who was an old rig builder from Wainwright. His son Chester was also working for Western, he ended up in the Fina group and retired as a drilling supervisor a couple of years ago. Federated Petroleums, as I remember, paid the top price for a quarter in the Amelia?? sector, which also had the distinction of having the thickest pay section in the field, 106 feet as I remembered it.

[00:21:15] Royal?? had also become a player in Redwater. They had an early section in the middle of the field and then continued to buy land right up to the end. It was kind of their last hurrah except for Coalville.

Dome Petroleum got their start by buying land in the southeast corner of the Simmons sector. As I remember, it was their first production in Alberta.

M.O. Johnson Testers started running their own tools in Redwater. Dowell had the contract to run their tools previously. Some of the more famous alumnus from Johnson Testers included Charlie Kirkvold who went over to Bahrain?? with Johnson and then joined Cal Standard Chevron and had a very distinguished career ending up as head of their far east operations. Another Johnson Tester of note was Jarvis Milner, a member of The Milner family of oilfield note. It was his brother Stan that started Chieftain Petroleums.

[00:22:47] There were no real drilling problems in Redwater. There was the occasional bit of lost circulation in some of the high permeability areas. And once in a while one of the basal cretaceous sands would flow back if you weren't paying attention. Otherwise drilling was very straightforward.

In 1952 or '53, Frank Flewelling, the famous General Petroleums Tool Push brought a rig into the Opal Block to do some of the last drilling that was done there. I think it was Imperial Opal 46 that he set a record by drilling 1025 feet in one 8-hour tower, really amazing.

As a sideline to the Opal Block, I imagine you're well aware that D1 production was encountered in Opal. I can't remember if Imperial actually produced any of the wells for any length of time. The oil was quite heavy and in those days not considered worth anything. A few years later Placid or Hunt developed a D1 Reservoir over near Lac St. Anne. I never heard whether Imperial did anything with the D1 in Opal or not.

[00:24:28] You can't talk about the development of the Redwater Field without also mention mentioning the Excelsior D2 Pool. This was another total Imperial field with the exception I think of about six wells. It was straight north of Edmonton about 20 miles and it was also an excellent reservoir, a kind of a sleeper, nobody really heard too much about it. One thing about Excelsior is that Pacific, drilling a well in the southwest corner of the pool, had a big blowout in the spring of 1950. Excelsior was also one of the first pools where Imperial experimented with automation. Wally Scrimmes could probably supply some information about that. But as I remember it in 1953 or '54 they had the whole field fully automated and ran it from a panel in the Redwater office.

Another little offshoot to the development of the Redwater Field was the discovery of oil in the brown lime or Cooking Lake east of Redwater on the east side of the Saskatchewan River in a place called Skell?? The field was developed by one of those wild Toronto stock promotion companies called Midcontinent Petroleums. As a result, it probably didn't get the play it should have, and to my knowledge that was the only Cooking Lake production around.

Getting back to Amerada again, as an offshoot of their Redwater production, their exploration people embarked on quite a large-scale drilling program in east central Alberta. They drilled one well in every Township between the Edmonton-Calgary line and the Saskatchewan border and north of Staedtler and

south of Redwater. It was really quite a program, I forget how many wells were involved and every well was taken down to the Beaver Hill Lake. Unfortunately, they never found anything.

[00:27:18] That seems to be about all the technical information I can recall for the notes, Aubrey. Maybe I'll just reminisce about some of the people I remember from Redwater days. First of all, the Imperial employees. When I went out to Redwater, Rod McDaniel was the District Reservoir Engineer in 1951. The next year he moved to Calgary in to Imperial's Reservoir Department. And then of course on to McDaniel Consultants.

Ed Campbell was an Imperial Petroleum Engineer who left the company to join Western Minerals. As I recall Western minerals was really the holding company, Western Leaseholds was the operating company. Ed was with Western up to the time of his untimely death.

Eric Connor was another Imperial Production Engineer, having just returned from a stint in South America. He also joined Western Leaseholds and then went on to a distinguished career with Union.

Of course Vern Hunter was the field superintendent when I went out there and the assistant superintendent was a man named George Bannontyne.

The drilling superintendent was Bud Kelly, who was not only responsible for contract rigs but also the Imperial rigs that were working in the area. As I recall Imperial developed the Excelsior Pool with their own drilling rigs.

Another gentleman that comes to mind is BA's production foreman in Redwater, a gentleman named Ray Haffner. He was from Montana and had worked in the Kievan?? Sunburst field and had also spent some time at the old Stellareen Refinery in Coutts.

Royalite's field foreman was Red Kennedy, who was another old Turner Valley Hand. His assistant and our neighbor in Redwater was a fine gentleman named Bill Kirkpatrick, also from Turner Valley. He took over in Redwater when Red went back to Turner Valley.

Amerada's head operator was another old Turner Valley Hand and former Conservation Board Hand, Alec Essary. I think he was still the character used to be in Turner Valley. In any event, the next time I ran into him was over at Coalville where he was the production foreman for United Cansul.

The field superintendent for Pacific was Buster Boyd. He used to drive a big old Chrysler at high rates of speed around Redwater. You could always tell where Buster was by the cloud of dust. He later joined Marathon and moved to Shaunavon where he was the district superintendent, and he retired about the same time I did in 1985. His assistant superintendent or production foreman was Burt Frew, who later joined Hudson Bay Oil and Gas and became one of their senior production foreman in Alberta.

That's all the people I can think of for now, Aubrey. Probably some more names will come to me over the winter. Or perhaps you can ask me about specific people and specific properties and I may be able to think of it then.

[00:31:59] A couple of other things have come to mind about the development of the Redwater field. The first item of note was the fact that there was only one free hole parcel in the whole field. It was a

half section down in the Simmons block and I can't remember the location offhand, but the rest of the field, with the exception of the Western Leasehold's properties was totally Crown.

As you're aware, Imperial divided the field into five blocks: Simmons, Amelia Redwater, Egremont and Opal. Then they numbered the wells 1, 2, 3, 4, 5, etc. in each block. Of course it became a nightmare to try and find these particular wells unless you had a map. As a consequence of Imperial's Infamous numbering system, the Department of Mineral Resources required that the well name include the legal description and I think that regulation came into effect in either 1951 or '52. You can see it on the well map where it changes from straight numbers to well locations.

Although there were no overnight millionaires because of freehold mineral rights, the local farmers did pretty well because the field was unnecessarily developed on 40-acre spacing, farmers with a section of land and 16 wells got about, I think 400 or 450 dollars a lease. So in the '50s, that was pretty good money.

[00:34:31] So that just about cleans up my reminiscences of Redwater days, Aubrey. I always like to think of it as fun days. Everybody worked hard. Nobody knew too much. Everybody was in a learning curve, but it was fun. My dad was quite an avid game bird hunter, and he used to come out from Edmonton to visit us. On a weekend and on a Saturday afternoon, he and I could go to puttering through the field along the Redwater River, and we'd be guaranteed of getting a pheasant, a partridge or two, probably a sharp-tailed grouse and maybe even a duck. Of course the presence of game in the field caused most of the battery operators to carry '22s, and it wasn't very long before they ??? all the game birds right out of existence.

My wife and I drove through Redwater a year ago this past summer. We wanted to take pictures of the houses we used to live in on the town site. We were just amazed. We didn't recognize the place at all. All was scrawny little trees that were struggling for survival on the boulevards were 30 and 40 feet high and completely hiding most of the houses. However, we did find both the places we lived in and took the appropriate pictures.

The old office where I worked for pretty near three years had been converted into a little apartment complex. I guess the Board runs everything out of Edmonton now and they don't have any offices in Redwater or Devon or Drayton Valley. So things do change, Aubrey. Sometimes for the best and sometimes not.

So that ends my ramblings. I'll drop this in the mail to this week along with a letter and a copy of the map you sent me coloring some of the sections that I was talking about. We're heading for Brownsville on November the 13th, so if you want to write to me, I think you have my address. If not, I'll put it in the letter. Please don't hesitate to write or call, Aubrey. I've enjoyed thinking back about the good old Redwater days and the good and bad times we had.

So good luck with your book.

End of Interview