

PETROLEUM INDUSTRY ORAL HISTORY PROJECT  
TRANSCRIPT

INTERVIEWEE: Bill McGregor

INTERVIEWER: Susan Birley

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SB: It's April 7<sup>th</sup>, 1984 and this is Susan Birley interviewing Bill McGregor in his office in Edmonton. Mr. McGregor, I wonder if we could just start by talking about where you were born and raised and a little bit about your early background?

BM: Well, Susan, going away back, my father and mother ranched west of Turner Valley. She had been raised in Saskatoon and when I was about to be born she went back to Saskatoon to be with her mother, so I was really born in Saskatoon and spent a couple of months there and then back to the ranch. Because there weren't any doctors within 50 miles of the ranch at that time. So we rode horseback to school, we rode about 4 miles in fact, to Plain View School. At that time I think there were about 11 or 12 children going to school at that time. Everybody rode horseback pretty well to get to school. When I was about 10 or 12 my father bought a place closer to Turner Valley, just south of Black Diamond. In addition to farming and raising cattle he had a dairy farm. I remember delivering milk before I went to school in the morning, 7 days a week sort of thing. We were right on the edge of the oil field as it was at that time. It wasn't really an oil field then, it was really a gas field with condensate liquid gas that they used to pipe to Calgary. And they used to just flare the gas in order to get the gasoline or the liquids. You could buy this kind of gasoline and you could put it in your tractor or you could put it in your car, you could buy it for 10 or 12 cents a gallon. And it smelt awful because it was raw, you know, it was kind of hard on your motor too but it was cheap and there was lots of it. Then Anglo Canadian. . well, Phil Burn had put some money together and he was drilling in southern Turner Valley. He drilled such wells as Foundation and Monarch and Spy Hill and a few others. A lot of the wells that were drilled then by him and others, they would finance one well at a time. And they would sell this stock for 25-40 cents or 35 cents a share and they'd get enough to drill a well and if they got into trouble sometimes they'd shut the well down and go back out and raise more money and go back and complete it later. But he drilled several wells down there and the big change took place when Bobby Brown brought in . I think it was Brown #1. It was a real good oil well. This really changed the attitude and the complexion or the exploration. So there were a lot of wells drilled by many people and groups. Anglo Canadian Oil Company eventually put their wells and put them together into a company called Anglo Canadian, they formed a company and called it Anglo Canadian. They put all these producers that they had into this company. I went to work for them I think, in 1937 and I worked for them for about 10 years, in the producing end of the business.

#051 SB: Did you know anybody in Anglo Canadian before you started with them?

BM: I knew some of the people that worked there yes, but I was really hired by Phil Burn in Calgary. Then later on he brought Ralph Will in from the States to become field manager and he managed the drilling rigs that they owned and also he was in charge of the production. A year or so later he brought in a production engineer by the name of Gene Denton. And Gene Denton was my immediate boss and he was a very good petroleum engineer. Then Anglo Canadian sold off their drilling rigs, in fact Ralph Will bought the rigs from the company and started Drilling Contractors, I'm not sure, yes, Drilling Contractors Association I think they called it.

SB: So you decided I guess, you'd had the oil field activity around you a lot in your youth and had you decided to follow . . . ?

BM: That's correct. That's right. I was excited about it because as a little kid, from about 5, 6, 7 years old you could see the flares lighting up the sky at night, you could see it for miles away. I mean, in fact, they were burning off so much gas you could read a newspaper any time during the night without. . . you know, miles away from the field. Especially if there were clouds that reflected back down, it was quite an eerie sight. And it was a shame that they really did waste all that gas but that's how they did it and all they kept was the gasoline that they extracted and they piped it to Calgary. And of course, farmers used to come from Saskatchewan with trucks and they'd fill their barrels and take it back and so forth.

SB: Did you ever remember visiting any of the rigs when they were drilling in Turner Valley when you were young?

BM: Oh sure. In fact, my father actually worked on rigs part time, off season, as many other farmers do here in the province of Alberta. He worked on rigs actually, and they were cable tool rigs at that time, then they brought in the rotary rigs. I suppose they brought the rotary rigs in, in the 1930's. But in the 20's he worked on rigs to get a little extra cash, money was scarce in those days. So I was around the rigs a lot as a kid going to school, spare time and weekends and so forth.

SB: I guess there were a lot of companies besides Anglo Canadian that were trying to start up in the business?

BM: Oh yes. There really were a lot of companies. Of course, the ones that came out of there and survived, Home Oil Company, Royalite Oil Company of course, did well and a few others, but a lot of them just went broke.

SB: Was Anglo Canadian one of the bigger ones?

BM: Yes, it was one of the very active ones. Home Oil was quite busy and did a good job and Anglo was one of the bigger, more active ones. And then they, after I left, 3 or 4 years later, they were bought out by Canadian Oil Companies. And then Shell Oil bought out Canadian Oil Companies, so it all wound up in Shell Oil Company eventually.

#091 SB: What made you decide to apply for a job at Anglo Canadian rather than any of the others?

BM: It was really in an expansive mood, they had this big drilling program, they were raising a lot of money to drill wells, they had picked up a lot of land in the area so it looked like they were going to be a very active company and they were actually. They really did

reasonably well compared to some of the others.

SB: And you hired on in what position?

BM: I was just in charge of production in one area of the field. And I moved around, I guess I worked on all the wells they had at one time or another, from the north end of the field to the south end of the field. But I finally resigned and I bought some land and went farming and ranching and then got into the construction business. And then Leduc was discovered and some of my friends, in fact, my old boss, Ralph Will asked me to get my equipment up to Leduc because he wanted somebody who knew what they needed to have done. Which I did and the construction company grew and did really quite well.

SB: How did you decide that a construction company would be a good venture?

BM: I was very ambitious. In addition to my farming and ranching activities I was always looking around for something else to do that might make money and the construction business looked like it might be one of the things that . . . you know. . . we stripped coal down in Taber, we built roads down in Fort Macleod, we built roads up at Jasper and Banff and we did a variety of things. And there's municipal roads and the Alberta government they were doing some road building and all in all, if you worked hard at it, you could make it pay. And actually it paid very well for me and we still have the company and it's still prospering.

SB: What did you start out with?

BM: Just one cat. One cat and one rubber tired carry-all and a bulldozer, you could put a bulldozer on the cat or you could take it off and drag the rubber tired bucket behind. It was really started from one machine. Now I suppose we've got 30 machines and they're much more expensive and much bigger and much more sophisticated.

SB: When you joined up in Turner Valley did you think that the oil industry would become as big as it has?

BM: No, I had not idea. In fact, as you probably know, I think Imperial Oil, before they discovered Leduc, I think they drilled a hundred and some dry holes before they found Leduc. I'm sure they had to be pretty discouraged before Leduc was discovered. Because that's a lot of dry holes.

SB: And what was the people's attitude towards oil well drilling, did they look at them kind of like prospectors or something?

BM: Well, yes, you know, I think they were probably glad, most of the farmers and ranchers were probably glad to see them come because they got some cash for the roadways they needed and so forth and so on. And a lot of farmers worked on the rigs too in their spare time. But it was different then. We only got about \$2.50 a barrel for oil and if the price went up or down 10 cents it was a big event. Now, oil in Canadian money is about \$37 a barrel but it costs a lot more to drill now. In some respects the equipment is a lot better but we're probably, in many cases, we're drilling deeper and the royalties and the taxes are a lot heavier than they were then and it's all relative. But if you can find oil today you can do quite well.

#145 SB: What were your wages when you first started for Anglo Canadian?

BM: I got \$4 an hour, pardon me, \$4 a day.

SB: And was that a decent wage at that time?

BM: Well yes. There were lots of people that would be pleased to make that. And then I remember after about 3 years they raised us \$1 a day and then we had some other raises after that but I really remember the \$4 and the \$5 a day part of it for 4 or 5 years at least. They just didn't give you a raise every year or after 90 days.

SB: I wonder if we could talk just a bit about Anglo Canadian and the people who made it up.

BM: Well, Phil Burn, he was the organizer pretty well. He was really with Grey, Burn and Company, they were a brokerage firm in Calgary. So he was President of Anglo Canadian. Grant Spratt, who had been with the Conservation Board and was an engineer, he was President for some years. Of course, Ralph Will was brought in because he had drilling expertise and Gene Denton was brought in with production expertise. They knew their business very well, they had a lot more experience, there wasn't that much experience on producing oil in Alberta in those days. Now the people in the oil fields here in Alberta are as good as the best in the world. They're in great demand. In fact, some of our drilling crews, when they went down to the States they were outperforming the American drillers down there, they were drilling faster and . .

SB: And had Phil Burn know Ralph Will from the States?

BM: No, he didn't. He actually advertised down there, and through his contacts. Ralph Will had been in charge of a company called Rocky Mountain Drilling Company down there, he'd been drilling superintendent for them. I think he's still in Calgary, retired. But he really knew his business well and he was one of the fine people in my lifetime that I worked for and knew.

SB: And who would you say was the driving force behind Anglo Canadian?

BM: Well, it had to be Phil Burn. He was a real optimist and he was well liked and he raised a lot of money. So he was the one that put the people together and really raised the money which was a very important part of it. Money was pretty hard to raise, it was awful hard to raise money for the oil industry in eastern Canada. It was easier to do in the States, for many years, people could raise money easier in the United States than they could in eastern Canada.

#191 SB: Do you know why things were that way?

BM: Well, they didn't understand the oil and gas business very much. And I suppose they may have had their fingers burned a few times too, by some of the promoters. And there wasn't nearly as much money around either, in all fairness. The Americans had been through it all, they knew the risks and they knew the prizes too, if you were successful. And I think there was just more money available.

SB: Did you witness any of the early promotions schemes in Turner Valley, such as stocks?

BM: Yes. Of course, the newspapers were full of ads for small companies who were raising money or trying to raise money to drill here or there. These ads, they can still be seen, there's lots of photographs around of the signs they had in the newspapers and also on some of the office buildings on 8<sup>th</sup> Avenue.

SB: Did many people in Turner Valley invest in them?

BM: Yes, they did. I know my father and a lot of other of his friends, even some of the ladies,

they would buy a few shares in this or that or the other. Some of them made money doing it. I think most of them probably lost, on average.

SB: I think they standardized it after awhile didn't they, to make it a policy that they had to go through the Security. . .

BM: That's correct. That was a good step in the right direction and they tightened up the security laws. It was a pretty loose arrangement in those days and some of the promoters really took advantage of the situation. So they've done a good job of tightening up the securities regulations in Alberta and of course, in Toronto too. They've become very sophisticated about it and it's a good thing.

SB: I was wondering too, with Anglo Canadian, you were in charge of production, what would that entail?

BM: Putting wells on production and then testing them and getting the production from the well to the tanks and then from the tanks into the pipelines. Every battery did its own bookkeeping on this sort of thing and the tank gaugers would come around, Royalite Oil company bought most of the oil. They had a pipeline that went to Calgary and that's how they moved it.

#234 SB: Did the other producers in Turner Valley feel that, say, Royalite had a monopoly on things or was there any kind of friction that way?

BM: I don't think so. They had a pretty big land position all right, down there, but they had the Royalite plant there and that was an asset to the community and they had the pipeline that went to Calgary that they shipped the oil through, or the light ??? through. And eventually there was a gas line that went.

SB: So the other producers would usually sell their product to Royalite?

BM: That's correct, that's right.

SB: Do you remember what they were getting, what the price was at that time?

BM: Well, it varied but I think that on average, it was probably \$2.40 - \$2.60 a barrel. For many years that was roughly the price. Sometimes for some reason or other, because of cheap imports from. . and then of course, we had a transportation problem. At that time we only had local refineries that used it. There was no pipeline to Toronto, that didn't come till the 60's. So you had a plant at Moose Jaw, Anglo Canadian shipped some of their oil to it and there was another one to Saskatchewan and there was one in Calgary for instance. So there wasn't a very big market and you had limited places to sell it. For a few years they actually used to truck their oil to Okotoks and put it on the train and ship it by train to Moose Jaw I know. It was all a matter of economics. And they would pay whatever, they would look at what they could ship it in from the United States from and that would set the price pretty well.

SB: I guess when Ralph Will started up Drilling Contractors, did that increase Anglo Canadian's activity as well?

BM: Yes, I think that when he bought the drilling company out he actually went back and drilled for Anglo Canadian. Because really their main business was looking for production, so they didn't need the rigs. He drilled for them and they drilled a lot of wells for Home Oil Company and other companies. And when Leduc was discovered he was

one of the first ones in there, with his rigs, into Leduc. In fact, he was the first company I worked for when I took my construction equipment into Leduc. Then eventually Imperial Oil became my biggest customer, in addition to a lot of drilling companies. Some came in from the States and new drilling companies were formed and so forth. So between that and Redwater and some of the other, Golden Spike areas, you know, the construction business and the drilling business was a very good way to make money.

#295 SB: In Leduc with your construction company, what was your first job for the oil business?

BM: Preparing locations for the mud sumps and the road into the locations and cleaning up the well sites afterwards so that the farmers could farm the land again. They became particular, as they should, about piling that black dirt, you know, in a pile and pile the clay in another pile and when you filled it in you'd put the clay back in the bottom and put the black dirt on top. And actually, you'd never know that there had been a well drilled there after a couple of years, except perhaps for the wellhead sticking up out of the . . . and the crops grew, sometimes they grew better, either over where a pipeline had been laid or where they had repaired the land.

SB: Did you have anything to do with the Atlantic 3 site?

BM: Yes, we did some work there because they needed earth work there to damn up the oil, keep it from running out on the roads. So we did some work on that lease too.

SB: Do you remember what it looked like?

BM: Oh yes, very well. You could see this oil boiling up all over, quite a ways away from the well because it was coming up behind the surface pipe and breaking out and bubbling up. It was an awful mess.

SB: And you were also building batteries and . . .

BM: Yes, we built batteries. Being in the earth moving business, we built firewalls around all these batteries and we built a lot of roads of course. In there, actually in northern Alberta too, they started to do drilling up in the Peace River country, so we had equipment up there too. Now of course, we're working up in the Mackenzie Delta area, we're building islands up there, that they can drill on and where the water is shallow.

SB: So you felt it was worth expanding, did you start expanding more into the oil field construction part of it?

BM: Well, yes. We expanded in the oil construction business but there's really a limit to how big you should be in that business because you have to give a lot of personalized attention to how each company wants it done. And if you get too big, if you start neglecting that. . . and some companies went broke because I think they tried to get too big and they weren't giving the attention that was required. So then of course, when I, with some friends, started drilling a few wells then I brought in a fellow who had worked, he had been with Imperial Oil by the name of John Staples and I brought him in and arranged for him to get an interest in the company and to run it. So that I'd have more time to spend on my oil company affairs. So he's been running the company now for, I guess, 30 years.

SB: And what about Mr. Johansson, is he still involved too?

BM: No, he passed away about, oh, 10 years ago.

SB: Do you remember some of the early people that you hired with ??? Johansson?

BM: A lot of the people that we hired were farm boys, and/or sometimes they were older fellows that had been working with construction companies over the years. But we've got some people that have been with us for 25 years, still with us.

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Tape 1 Side 2

BM: I was going to say that the drilling business changed when the rotary drilling rig came in, in the 30's. They were able to drill deeper and faster and it revolutionized the drilling business to quite an extent. They've become a lot more sophisticated since then, they keep improving the kinds of bits that you use. For instance you can drill several hundred feet with one bit, as compared with the way they were 30-40 years ago. Because when a cone drops off a bit you've got a finishing job, you've got to side track it or whip stock around it or. . . But they've made great strides in the drilling business, bits and the kind of mud they use. I remember when the drilling rigs, rotary rigs first started, they would just take clay and mix it up with water and steam and just get it to a certain consistency that they thought was about right and put it down the hole and that's what they drilled with. But now, the different additives they have for mud has really helped speed up the drilling process and made it a lot safer. They don't get stuck in the hole nearly as often.

SB: Were they using cable rigs when you started at Anglo?

BM: No, when I started at Anglo, they had switched over to, it was all rotary drilling at that time.

SB: I guess for some of the old cable tool drillers it was a hard transition to make.

BM: Just a whole lot different, completely. And some of them made the transition and did it very well. One thing they were glad to see go and that was they didn't have to sharpen those big bits with a sledge hammer. The bit would get dull, on the old cable tool rig and they'd have to put it in the furnace and they'd be pounding these things out and get them back in shape so that they'd dig again and that was tough work.

SB: Did you ever work on one of those?

BM: No. I didn't. I was always on the producing end of the thing. But I saw my father and a lot of his friends doing it when I was a kid a few years before that.

SB: Did the type of people change do you think, from the ones that worked on the cable tool to the ones that worked on the rotaries?

BM: No, I don't think so. A lot of the old cable tool drillers, a lot of them came off the farm and the same thing was true of the rotary drillers, a lot of them came off the farm somewhere, I'd say the majority of them did. Of course, as time moved along a lot of the people that are now coming out of university and they're getting involved in the drilling business, in all phases of it. And a lot of it's automated. There's really been a lot of important changes that's speeded up the process and actually made it cheaper.

#040 SB: Were there any specific changes that took place in production when you were

involved in it?

BM: Yes. It was all pretty, you know, you turned valves and so forth, when I was involved, by hand and so forth, now production is all automated, electrically automated in a lot of cases, unless it's in a remote area and you don't have electricity. And instead of gauging the tanks with a tape, it's all measured with automatic measuring equipment. And of course, before any oil goes into a pipeline they've got monitors that, it stops the flow if there's too much water mixed up with the oil and all these sorts of things.

SB: Do you remember any of the other people that worked under you at Anglo Canadian or worked with you?

BM: Not too much, some of them have passed away. A few of them have gone to the States and some are retired. I've really lost track of some of them. But there still are quite a few around in Calgary and Edmonton. And some went to work for other companies and so forth. But when I moved up here and got into the construction end of it, I really sort of lost track of where they went to.

SB: Do you remember any names of different people or. . . ?

BM: Well, old Tom Ford and you could write 2 or 3 books about him. He passed away many years ago but he was well known. He worked for Anglo Canadian too for awhile, in the producing end of it, but he is mainly known for tapping the pipeline that went to Calgary and stealing gasoline and selling truckloads of gasoline. They caught him one time and well, they caught the driver of the truck and he saw the police coming so he jumped off and went through the bush and went to the States. He went across the line and he was gone for about 3 years and then he came back and gave himself up. And they gave him 6 months or something. Stealing gasoline down there wasn't too. . . it wasn't too serious a crime.

SB: I guess it was fairly easy to tap into the gas lines in any one of the little towns too was it?

BM: Natural gas you mean?

SB: Yes.

BM: They did have a lot of gas pipelines here and there and a lot of people just ran a little line over and tapped in there you know, and the gas wasn't worth very much, they were flaring it. And my goodness, they had some pretty bad accidents with it too. They had a lot of pressure, someone would just have a valve and if you opened the valve you could get a flame of 3' high. If you opened it too quick it would knock the kettle off the top of the stove.

SB: It could have been dangerous.

BM: It was dangerous. And then of course, they were supposed to use regulators that would keep it down to a few ounces but some of them wouldn't bother, they'd just pipe it in and open the valve and control it that way. So people would move into areas where in fact, they could get this gas. Maybe they could get it for nothing or maybe they'd pay very, very little, \$2 or \$3 a month or something like that was a lot to pay for gas.

#084 SB: Speaking about accidents, you were telling me about ??? nitroglycerin.

BM: Oh. Yes, I forget the name of the well but they used to shoot some of the wells with nitroglycerin and of course, it was very dangerous stuff to handle. They used to bring it in

from Montana, a lot of it came into Turner Valley from Montana. I knew one of the fellows that used to drive one of the cars that moved it, he was a good friend of my father's and . . .

SB: What was his name?

BM: George Ramsey. I don't know if he's still alive or not but he'd be probably in his 70's now I'd imagine. But they used to have to leave these cars that they were transporting, they'd have to leave it 2 or 3 miles out of town and get permission, pay some farmer to let them park their car on the back 40 somewhere because they didn't want any accidents in town. But they used to lower this stuff to the formation that they wanted to get the production out of and they would set it off with an electrical charge. And it would shatter the formation, that was the theory. This accident that you were asking about, I forget the name of the well now but they were going to shoot this well about 8:00 in the morning and about 6:00 in the morning, one of the roughnecks, they didn't have anything to do, they were just putting in time waiting for the big job in the morning. He happened to walk up towards the well head from the boiler house, which was very close and he saw this leak in this nitroglycerin, it was running down the catwalk there and he knew there was going to be an explosion because the boilers were quite close. So he woke everybody up and they ran over the hill, the river bank was only a couple hundred yards away and they just got over the hill and the thing went off. Nobody was hurt but the rig was absolutely flat, wiped right out. And there's photographs around that show that mess.

SB: Did you ever have any problems when you were working for Anglo in production?

BM: No. Once in awhile, if they weren't careful when they were up on the ladder and they had to run a tape in to get the depth of the oil, once in awhile somebody would get, the gas would be coming out of this measuring hole and once in awhile, they'd pass out and roll down the steps, that happened. And in the north end of Turner Valley there was some real sour gas up in that end there that was very dangerous and they wouldn't let anybody go up and gauge a tank without having a gas mask on. They lost some lives up there with that real poisonous kind of gas.

#120 SB: I wondered if you wanted to comment on Phil Burn, he ended up committing suicide.

BM: This was after I'd left the company, 4 or 5 years after I'd left the company. I don't know any of the details but it was big headlines in the papers at that time. Before he was in the brokerage business he had been an RCMP officer. But I think he shot his wife and daughter, I'm not sure all the details and there was another daughter I think that was sleeping out in the tent with a neighbour girl and I think they survived the thing. But what happened I'm not sure. And then he shot himself of course.

SB: I guess there's a lot of pressure on some people. . .

BM: Well, I understand that they were having some financial problems at that time. I was living in Edmonton at the time and I'd heard that the company was having some financial problems but I don't know enough about the details. But anyway the company was sold about that time.

SB: So when you started up in Leduc, did you realize to begin with what a major discovery it

was and what an impact it would have?

BM: Oh yes. Well, we didn't know, we knew it was a great oil field but we didn't know that it was going to trigger off the discovery of a lot of oil fields. It encouraged people to get out and take the risks. So it was one of the turning points in the history of the province as far as oil production was concerned. Because following that we quickly had Redwater and Drumheller and Acheson and Golden Spike and many other fields. Leduc's the one that really fired the imagination of the explorers and of course, now the exploration for oil is moving north. In fact, our company, our busiest area is about 250 miles north of Edmonton. In the areas such as Tangent, close to Peace River and east of there in Evie and Redearth and Yutekema. New field discoveries that we're involved in are Gift and Sonn Lake and it's a big unexplored area. There area actually, in that area, there are townships that haven't had a well drilled on them yet, like 36 sections blocks. So there's going to be a lot more oil discovered up there. I think there's going to be a real rush in there. And then you've got, Amoco announced for instance, a new discovery northeast of that again, the Sennex??? area. So there are just quite a few new oil discoveries in the area and they're going to be expanded upon and they're going to find others.

#164 SB: Did the discovery of Leduc make it easier to get financial backing in Canada?

BM: Yes, that's right. They've been able to raise an awful lot of money to explore for oil because of Leduc. We've never had any trouble raising money, my company hasn't. In fact, when I sold Micmac, after 10 years, to Hudson's Bay Oil and Gas, I kept 2 or 3 key people, well, a secretary and a geologist and a landman and an accountant, that's it. And I just kept the premises that we had been working out of and they took everything to Calgary, to Hudson's Bay Oil and Gas. They just left the pictures on the wall, I kept the same phone number and took over the rental obligations at about a third of what they were supposed to pay, they just said you were going to have it. But I went out and I thought, I wanted at least \$4 million and Richardson Securities, I talked to 2 or 3 brokerage outfits and Richardson Securities out of Winnipeg said, we will underwrite your stock and all we had were ideas at that time. Actually, they listed it on the Toronto Stock Exchange. That was very unusual.

SB: And this was the formation of Newmac?

BM: The formation of Newmac. And so when you say, was it easy to raise money, now that was very unusual to do that. They just said, you know the business and we think you've done a good job, I think the attitude was that we're ready to gamble this money on you. The unusual part of it was that they would list the stock on the Toronto Stock Exchange before you really had any production yet. So yes, and others went out and raised money and some were very successful and some were not. And since then, really, I have heard people complaining about not being able to raise money for the industry but I've never had any problem. I think if you have a good idea and if your integrity and your plans are sensible there is money to be had. And either you can get it in Toronto now or you can get it in the States, or Europe.

SB: What about your very first venture into the oil business, who were the other people that were involved and how did they decide to go into it?

BM: Well, I had friends in Calgary and here, and I was really running the construction company but they had said, if you ever see an opportunity to put some money in and drill a well. So I just didn't think seriously about it but I did run across this farmer that had a half section of land where he owned the mineral rights and he wanted somebody to drill it. So I bought it from him and then I phoned up some of these friends of mine and asked them if they wanted to throw a little money into drilling this well and sat down with them and explained it. I told them if the well was dry their money was going to be gone but if the well was any good then they would get money out of the first oil we sold. It was a foolish thing to do when I look back on it, because it was a wildcat well, it was about 3 miles away from any other well. Geologically it had some chances but the odds are, it should have been a dry hole. But it turned out to be a good oil well and we drilled 7 or 8 more in succession, after that.

#222 SB: Do you remember how much you paid for it?

BM: I paid \$16,000 to the farmer and he kept 12 1/2%.

SB: And where was it located.

BM: It was south of Leduc. It was west of the town of Leduc but south of the Leduc oil field. So we drilled some more wells and then finally I formed a public company and then sold the company out about 10 years later to Hudson's Bay Oil Company.

SB: Did you have any strategy when you decided to form the public company?

BM: I only raised about \$200,000 because I thought, I know 2 or 3 wells that I'd like to drill and you could drill a well for \$60,000 so I raised \$200,000, that's all. And we sold the stock for two bits a share. Most of the people that had been involved in the first wells I drilled put some money in to the public company. Two bits a share and we sold the company out for \$5 a share. So I think it was successful for them.

SB: So was your policy to go out, acquire land, develop it and then. . ?

BM: That's correct. And then we went out and we raised more money after we drilled the first three wells. Well, we raised more money, drilled more well and so forth. So the next time I went out I raised \$4 million for Newmac. So really, we were pretty successful and we have raised money 2 or 3 times since but we've generated the money internally.

SB: What were some of the drilling contractors that you hired?

BM: Well, yes, we hired a variety of them. Usually we would hire somebody that was close enough they could move the rig over. It cost money to move rigs and the moving costs were taken into consideration. But Regent Drilling Company, they drilled my first well and they drilled several wells. In fact, they're drilling for us right now, after 30 years, they're still drilling for us up north of town. I remember how rickety and poor the equipment was when they drilled my first well. It was breaking down and so forth. Now they've got some very sophisticated equipment, they can drill to 20,000' with some of the rigs they have. We were drilling at that time, 5,400' was the depth of the first well I drilled south of Leduc there. But we also used Commonwealth Drilling Company and Hightower Drilling Company, which is the old Ralph Will company, it changed the name. There are some good drilling contractors out there.

#274 SB: What were some of the other fields that you developed with Micmac?

BM: With Micmac we drilled in Atchison, we drilled in Rainbow and Joachim, east of Red Deer and in Leduc and of course, in Pembina, we had some pretty good production there. Those are a few of the places we drilled.

SB: And did you have any other companies that you went into farm ins with or anything like that?

BM: Oh yes. We farmed land out to other companies and we also farmed land in. If we liked it better than they did we would farm it in and drill it. Sometimes if we thought we couldn't see anything too great about it and somebody else really liked it we would make an arrangement for them to drill it. And that's still going on, we're farming out and farming in all the time. And it's a matter of judgement and the risk.

SB: Did you ever make any decision about the maximum size you would want to attain with Micmac or anything like that?

BM: No. The bigger the better. As long as your debt doesn't get too big.

SB: Did you find that the drilling situation changed from the early 50's to the late 50's?

BM: Oh yes. They've speeded up the time it takes to drill, and as I said earlier, they've improved the mud techniques and the drilling bits. A lot of the drilling is automated now, it keeps exactly the pressure on there at all times that you want on it, instead of the driller deciding to put more pressure on or not. A lot of it's automated and you get the maximum results because of those techniques.

SB: Did you notice the industry experience any kind of slow down in the late 50's? There as a minor slow down I guess.

BM: Yes. I think one of the rel bad slow downs was about 1974, '75 when the rigs were leaving the country. Again, the Alberta government had raised the royalty substantially to such an extent that the federal government was never going to get any taxes, much. So they reacted to that by not allowing us to write that royalty off as an expense so our taxes went up, our federal taxes and we couldn't write off the rentals we were paying to the Alberta government as an expense nor development wells. They reacted and the industry was really caught in the middle. This was when we decided, well, a lot of companies moved to the States and a lot of drilling rigs left because there was nothing left for the explorer, you couldn't afford to take the risk for what there was going to be left. So we went into the real estate business, as an example. We decided, we built this building complex, a twin tower office structure. We also bought other real estate. But then when they turned around and they decided to back off on the royalty and improve the taxes and raise the price of oil we went back to work.

End of tape.

Tape 2 Side 1

SB: I was wondering if you noticed the effects of any other economic downturns on your company?

BM: Yes. In the 50's there was . . . it's a combination of maybe, not being able to sell the gas,

sometimes there was no market for the oil. Or the price for oil, we were importing too much oil, things like this, it really affected our industry. More recently, when the Alberta government, as an example, in 1979 or '80, they had a big argument with Ottawa about royalties and taxes again and they couldn't resolve the argument so the Alberta government decided to cut back the oil that was going to eastern Canada. And they cut it back a total of about 180,000 barrels a day. Of course, that hurt the oil producer. So they got that one resolved and straightened around and then, because . . .while the Alberta government was doing that then the federal government signed contracts with Mexico and Venezuela and Saudi Arabia to bring in foreign oil because they were afraid they were going to run short. So they signed long terms contracts with them. So after they got the argument resolved we had all this foreign oil coming in. So we really, it took almost a year to recover from that. In addition to that the federal government had stopped any light gravity oil from going to the United States. So we got the federal government to relax that situation so we could now sell oil to the States and there's lots of pipelines in place to move it. So now for the present time things are going along reasonably well, we're able to sell any oil that we can find. One of the problems we have right now and that is, there's a big gas surplus, there's a lot of shut in gas. There has been a bit of a gas bubble in the United States, they're not buying as much and they've had a depressions down there. But that's turning around. First of all they're using up their gas bubble and the second thing is that the economy is turning around and they're going to be using more gas. So I think that in 2 or 3 years we'll be back selling more gas again. There are a lot of companies up here with too many shut in gas wells. Newmac's got too many shut in gas wells. We could quadruple our gas sales tomorrow if we had a market, so that's quite a bit of shut in gas.

#033 SB: I guess the market situation's changed a lot since the 50's. Did you have trouble selling your production at that time?

BM: No. For years you know, we could pretty well. . . well, I guess if you go way back to the 50's, we had a problem in selling our oil because they were importing too much of it from offshore. Finally during Diefenbaker's time. . . well, that's why we formed the Independent Petroleum Association, to form a group of companies to go down and complain about the fact that we couldn't sell our oil, they were importing too much. It was like importing wheat into Saskatchewan and leaving Saskatchewan wheat in the bin. I mean that's how ridiculous it seemed to us anyway. I remember Bobby Brown and I and 2 or 3 others going down and trying to talk them into letting us build a pipeline to Montreal. Because Montreal was importing all of their oil, there was a big market there. But they wouldn't hear of it, they said, we can buy it 10 cents a barrel cheaper from offshore so we won't. . . But anyway, during the Diefenbaker, I forget what year it was, they decided that in order to make a market for Alberta oil that the area west of the Ottawa River, or Ottawa Valley would be reserved for western Canadian oil. So that really helped our marketing of oil. About that time also, the Americans started buying more of our oil so we were able there for a few years, to sell everything we could find. So there's been good times and bad times.

SB: So that was really the start of the formation of Trans Canada Pipeline and things like that?

BM: Well, yes, during those years, that's right. We had a lot of gas and I think this would be in the 50's, we had a lot of gas we couldn't sell of course, so they built the Trans Canada Pipeline into Toronto. And then it went on to Montreal of course since. But that gave us a market for our gas for quite awhile. Then of course, we branched off and a lot of our gas is now being sent to the States too.

SB: When did people first start to take an interest in the north, did that develop in the 50's do you think?

BM: Well, of course, they were drilling for oil and gas in the north, and I mean northeastern British Columbia of course, in the 50's. And the 40's and 50's and 60's. British Columbia of course, is known as a gas prone area pretty well, because of its location. So when they got surpluses of gas then of course, the drilling would shut right down. But as I was saying earlier, just in the last year they've got a new oil discovery up in northeastern British Columbia called Desan and this looks like its going to be quite wide spread. We don't know, there could be hundreds of wells drilled for this. It's only about 2,000' deep but we don't know too much about it, a lot of these wells are being kept confidential. But I personally think it's going to be great for British Columbia and say, Fort St. John and a lot of those communities up there and for the drilling industry in particular. If it turns out to be as big as it looks it's going to be a real plus for British Columbia. And as far as northern Alberta is concerned, there hasn't been the exploration for oil up there that there should have been. Two reasons, the price of oil was held down here by the federal government for a few years until the last 3 or 4 years. Now we're getting the world price so that's an incentive to get out there and spend the extra money, there's muskeg up there and there's no roads, and do more geophysical work. Also the combination of that and the price. So there's going to be a lot of oil discovered up in that general area in northern Alberta. So I think northeastern B.C. and Alberta are the areas for the future as far as oil is concerned.

#083 SB: What about the support of the provincial government, has it always been pro oil or helped you develop . . . ?

BM: Well, I think so you know. They got the royalties too high and they're still pretty high. But the last couple of years they've come up with incentive plans, like so much a foot to drill, to try and get some of these rigs back to work. Also they've come up with a new, if you find a wildcat well as an example, I think they came up with this 2 or 3 years ago, if you find a wildcat well, being one that's 3 miles away from any other producer, you get royalty free oil for 5 years. Well, that's really a good incentive. Newmac's found a couple of those and it really gives you a lot of incentive to get out and explore for it. Now just 2 weeks ago, they came out, effective the 1<sup>st</sup> of April, any well that you drill that is 3 miles away or more, it will have \$2 million worth of royalty free oil, not 5 years. They thought that was too generous, but on the other hand they came along and said that any step out well, or extension to a field, will be royalty free for 1 year or a total of \$1 million. I think on the 3 mile step outs, it's 5 years or \$2 million worth of royalty, whichever comes first. So I think industry will be doing a lot of step out drilling and trying to extend fields and so forth because that royalty free incentive is pretty important. And I expect that Newmac

should this year, come up with several of those kind of wells.

SB: How does that compare to say, 20 or 30 years ago, were there any kind of government incentives then for companies drilling . . . ?

BM: No, they just had low royalties. Which were about 12 1/2% average, now the royalty's about 30%. Then you've got the federal government with that real vicious tax that they've put on, which is 12% right off the top and the producer has to pay it on the share that the Alberta government takes. So it's really a 17 or 18% tax. So that's a pretty vicious tax and I hope they'll get around to reducing that a bit because it takes a lot away.

SB: Did the oil companies in the 50's and 60's feel that they were getting the right kind of recognition from Ottawa or did you feel that you had more independence in the early periods than you do now?

BM: Well, I think we had reasonably good cooperation from Ottawa yes, and from the Alberta government too. But when the price went up they really got too greedy, both of them and the royalties, they raised them too high, too fast and the federal government again, with this PGRT tax, they just really hurt the industry. Now, they've both backed off a bit on this so we've been going through these kinds of gyrations. Right now, I think it's reasonably good except that I think they could still reduce the royalty a bit and reduce the PGRT tax and then if we could move our gas, it would really be back to work.

#126 SB: Do you remember what the 60's was like as far as the general industry climate goes, was it growing steadily?

BM: Yes it was. You could sell gas pretty well and if you found oil you could sell it. The price wasn't as good then but still it was healthy.

SB: So a bit of a period of growth and . . . ?

BM: Yes, it was.

SB: There were a lot of companies who didn't make it through this latest round, do you feel that there were any reasons why some people weren't able to make it?

BM: There's 2 or 3 ways you can get into trouble. One is drill too many dry holes of course. The other one that got a lot of companies in trouble, borrowing too much money and then they couldn't sell their product and then the interest rates went up and they got caught in the jam. Some of them bought out other companies and paid too much for them. The combination of not being able to sell their gas and extra taxes, the PGRT taxes of course, and mainly interest rates hurt, they just borrowed too much money. So there's been a lot of mergers and there's going to be a lot more I think too, as time goes on.

SB: You mentioned that you started out with IPAC, are there any other societies or associations that you were involved with?

BM: Well, I spent 20 years I suppose, I think that we started IPAC, it must be 25 or 30 years ago. I was one of the founding members and there's only 4 of us left I think. It's been a voice for the industry, the independent industry and I think we must have 2 or 3 hundred companies in there, small and large. And then the CPA of course, it's mainly major oil companies.

SB: But I guess they do have a definite voice for you.

BM: Oh sure they do.

SB: I was wondering if you could mention the names of the 4 of you that are. . .?

BM: Charles Lee and Jack Gallagher and I were there. We were recognized last fall at the annual dinner and I think, I'm trying to think, I think they had Bobby Brown's daughter there and he was a founder and they invited her to come. I believe those were the . . .

#167 SB: Were there any other times that you had to form a lobby group to go to Ottawa or anything like that?

BM: Yes, we went down. We wanted to build a pipeline and they just threw that out. Ottawa wouldn't support us, neither would the province of Quebec. They as much as said, we can buy it cheaper offshore than what we can transport it for. The other time we went down was to talk to them about giving us a bigger market. And following that they sort of said that the area west of the Ottawa Valley would be reserved for mainly Alberta oil. That really helped us somewhat, although they still sneaked oil up the Ottawa River and into that area on us, but it was a kind of a loose arrangement. Fortunately however, about that time or a year later, it did improve the market for our oil but the Americans started needing more oil and that really helped us a lot. At one point in time we were exporting over a million barrels a day to the United States. I don't know what it is now, it might be a couple of hundred thousand barrels or something like that.

SB: I was also wondering about your family, there are quite a few people that either them or their spouses are involved in the industry, would you like to mention their names?

BM: Well, yes, I've got 4 sisters, all were married to people in the oil and gas industry and 3 brothers, all of whom, at one time or another had worked in the industry. I think I'm the only one now in the industry. One of them, my youngest brother, he left and went ranching, one is retired in Vancouver and the other brother, he's gone framing also. But yes, our family was involved one way or another in the industry because actually, we sort of grew up in it out there and made a lot of acquaintances and associates and so forth.

SB: Did you want to mention, I know that Ed Kott??? was your brother-in-law.

BM: Yes. Ed Kott was a brother-in-law and he passed away about 3 weeks ago. He had just retired a few months before that. He was very active in sort of organizing the yearly old timers association dinner that they have in Calgary and did a lot of work on that. He was in the industry I suppose, for more than 30 years.

SB: And also Frank Spraggins?

BM: Frank Spraggins right, and he passed away a few years ago. He of course, was the President and Chief Executive Officer of Syncrude and really, worked very hard on that thing for years and finally got the thing on production just before he died. He was honoured by Peter Lougheed when they finally put the thing on production and they really appreciated the great job he did.

#226 SB: And another one was Pete Atkinson.

BM: Yes, Pete Atkinson. Well, he came to Turner Valley to play hockey for the Turner Valley Oilers and married Jean, my sister, next younger than me. He just retired 3 weeks ago. In fact, they had a party for him, I think just about the time that Ed Kott passed away.

SB: And who was the 4<sup>th</sup> guy?

BM: Well, Doug Macdonald married my one older sister Margaret. They've been retired in British Columbia for 10 years. They spend their winters down in Arizona country. He was really a cable tool driller and he was one of the ones that switched over to rotary drilling. Before that he actually worked in production for Royalite Oil Company. So he must have had 30 some years in the industry, 40 years in the industry I think.

SB: I was also wondering, Newmac and Micmac both had their headquarters in Edmonton, unlike a lot of the oil companies. Did you have any preference that way?

BM: No, I think it was a case of happenstance. I had my office for my construction company here and I got involved in drilling a few wells and just set up an office. I think it was important then, to be near the seat of the government, where if you wanted to file on reservations or anything, you could just walk across the street and file on the land. Now you don't do that anymore, you have to bid for it. But if there was a new discovery anywhere and you heard about it you could just walk across the street and file on any land in the hot area, if there was any available and I think that was an advantage. Also it got us, because we were up here we recognized the value of the area north of Edmonton. In fact, in that area, I don't think there's any company that has a better land position than Newmac has. We've got a half million acres up there, right in the heart of this very fast growing new area. We probably have 10 rigs going in there, we'll have from 5-10 rigs going in there, as soon as it opens up again after spring break up. Because we're up here we also got involved in the heavy oil, as an independent, there aren't too many independents that got into the heavy oil and we took out 120,000 acres and we've got more than 20 billion barrels of oil in place on that. So it's a real asset for our company. Again, we got involved in exploring for uranium and we have Esso as a partner in that, we brought them in later. But we took out over a million acres of uranium prone property and we brought Esso in and they helped us explore it and finally we found a very rich uranium ore body in northern Saskatchewan. I don't think if we'd have been in Calgary, we'd have ever been involved probably, in the uranium but it's because we're up here we recognized that there was possibilities there. And also I think the heavy oil, we were intrigued with that. So I think there's been advantages being here, and of course, we can be down there in half an hour anyway if we want to catch the plane.

#292 SB: Do you think there's sort of a buffer around Calgary that you just kind of get involved in the concerns of the Calgary area?

BM: We have a lot of partners of course, most of our partners are in Calgary. We operate some fields and our partners, we either go down to see them or they come to see us. There is one other company here of course, and that's Chieftain and they did the same thing, they started small here and just grew and they're one of the nice successful independent oil companies in the province of Alberta.

SB: So you feel that you have more exposure to what's going on in the north by being in Edmonton maybe?

BM: Yes, I should say this, I hate to bring this up but you know, the Wall Street ???, talking about Stan Miller and Chieftain, last year he was nominated the #1 oilman I think, that done the best job for his shareholders and I was second. This year I'm second and he's

third. So it's rather interesting, of all the companies that he and I are in the top 3. I don't know whether that says anything for the fact that we're up here in Edmonton and we saw opportunities that some others didn't or just why it is. And of course, we knew each other in Turner Valley when we were in knee pants there, so it's been a long association.

SB: And that was an American. . . ?

BM: Yes, that's an American, New York. . . yes, they're a financial. . . it's pretty highly regarded.

SB: So that's counting both American and Canadian companies?

BM: I'm not too sure yes, if they're listed on the American Stock Exchange, I think that's the criteria.

SB: Is there any kind of corporate policy that you feel that you've followed over the years?

BM: Part of our strategy that's been successful for us, and that's to be in early with a good land position in areas that have a potential. It was true with uranium and it was true with heavy oil.

End of tape.

Tape 2 Side 2

#017 BM: It was true with uranium and true with heavy oil as I was saying and also, we took a big position in the Mackenzie Delta. We recognized that that was going to be a great oil and gas province someday and we took out a big land position 20 years ago there. And it's proven to be correct and now there's going to be a pipeline built into the Mackenzie Delta, it's on its way now from northern Alberta to Norman Wells and there's no question it will be extended from there. It's 2/3 of the way to the Delta and there's no question in my mind but what that line will just keep going and we'll have an oil and a gas line into the Mackenzie Delta. And Newmac has 270,000 acres there so we have a big position there. So down the road it's going to be important to Newmac.

SB: So you feel optimistic about the frontier areas and the production. . . ?

BM: I feel optimistic about the Mackenzie Delta. I don't feel optimistic about the Beaufort Sea and the Arctic Islands and the Greenland area and those. They're just 30 years too soon in my opinion, it's too expensive, the federal government would have to subsidize it to get it out and get it to market. 20, 30 years from now, when oil is \$90 a barrel or whatever, and we are maybe running out here, then, that will be the time they should be thinking about developing it. Furthermore I think this idea that the federal government is paying 80 cents on the dollar to explore in those areas, on the Arctic Islands and out in the deep Beaufort where the icebergs are moving around, offshore Nova Scotia there is not too bad, where they've got the Hibernia thing because the iceberg problem isn't too sever there. And it is oil. But to go out and to pay billions of dollars in subsidies to explore for gas, when we've got it coming out of our ears, there's something seriously wrong. I know it's a play to get the activity away from Alberta and get it maybe, into eastern Canada or Ottawa, but I think it's a sad mistake for Canada as a whole. Someday they're going to run out of money and I think a lot of companies that have gone up there for that carrot, that 80 cents on the dollar, when they cut it off and they will cut it off, they're going to be stranded out

there among those icebergs and there's going to be blood all over the floor.

#045 SB: So you feel Alberta will be producing for quite a few years?

BM: Oh sure. There's billions of barrels of oil to be found here yet. And in addition to that, we have our heavy oil, our tar sands up here, some people call it and there's at least 2 trillion barrels sitting up there. We know it's there, there isn't too much risk. It's going to cost a lot of money to put it on production but the Syncrude plant and the Suncor project, they're making lots of money. And you're going to see a lot of those plants, not as big as those, you're going to see a lot of 10-20 thousand barrel a day plants.

SB: Are there any periods in your career that you enjoyed more than others?

BM: I've enjoyed it all. I've enjoyed the whole thing, right through from when I worked for Anglo to my years in the construction business and the Micmac days and now the Newmac days. I enjoy the people in the industry and I enjoy the work and I hate the thoughts of someday I'm going to have to, you know, they're going to turf me out. It's very exciting.

SB: Are there any particular events or I don't know, anecdotes that you can recall of your experiences?

BM: Well, Micmac #1 had to be a highlight. Selling Micmac Oil Company later for a profit for out shareholders was a satisfying thing. Getting Newmac launched with nothing but ideas and making a successful company out of it, there's been a great deal of satisfaction in that. I think my shareholders you know, they paid \$1.75 a share when we started the company and we've split the stock 2 for 1 on two occasions, so I guess their stock probably cost them about 40 cents a share and it's trading at \$15-something a share now. So I think most of my shareholders are fairly happy. I think finding these new oil fields in northern Alberta, there's been a lot of gratification in that. We've got an excellent team, it isn't a one man show by any stance, I've just got a lot of good people around me. There's a lot of good teamwork, most of them are shareholders in the company too so I think the staff are very loyal and hardworking, so that's very important to me.

SB: Who are some of the people that have stayed with you, you say you brought some people from Micmac?

BM: Stu Montgomery was with me, he's a landman in charge of the land end of things. He's done an excellent job and he was with me during the Micmac days. He stayed, I invited him to stay if he wanted to. Everybody had an offer to go to work for Hudson's Bay, I should say, including me. But he decided to stay with me and my secretary, so they've both been with me for about 26 years now.

#088 SB: I wonder if you'd like to mention some of the Directorships that you hold right now?

BM: Well, I'm a Director of the Bank of Nova Scotia and Canadian Utilities, Union Gas, the main reason I'm on it, it's Toronto based. They are one of our bigger shareholders and they wanted me to come on their Board. And Felmont??? Oil Corporation and the Chairman of that has been a Director of mine for 25 years, so he invited me to go on his Board, he's based in New York, he's got a company called Felmont Oil Corporation.

SB: What's his name?

BM: Hadley Case. And Ralph Bard, he was a Director for about 30 years, the old Micmac Company and on to the Newmac Company. So both he and Case stayed and went on to the new company. So Darcy McHugh is on the Board from Union Gas and Paul Little just went on, he's a Vice-President of Union Gas. My son has been a Director for about 8 years and he came to work for the company about 5 years ago. Now we needed more help in the legal end of things. And Alec McIver is a Director, he's our lawyer and he was also a Director of the old Micmac Company and I've just added, or at least, I've just invited Bruce Watson from Calgary to become a Director and he's accepted so he'll be voted in probably in June.

SB: I was also wondering if you could comment on your feelings about the involvement of the federal government in the oil and gas industry, do you think that was a good move? I'm thinking of the formation of Petro Canada ???

BM: I think that's been an awful waste and it was an ego trip that Ottawa was on there and some of the socialists down there. They paid too much for those companies and they never added one barrel of oil to the country and a lot of money that they paid for them, hundreds and hundreds of millions of dollars left the country. That hurt our balance of trade. And frankly, the companies they bought out haven't been run as well as they were being run before they bought them out, so it's been, as far as I'm concerned, it's a dead loss.

SB: Do you think that the oil industry will help Canada stabilize itself in the future, do you think the federal and provincial government has a chance of working together more closely in the future?

BM: Yes, I think so. I think a change of government would really contribute a lot, I suppose particularly if it was a Conservative government that got in, there would be a lot better cooperation. And I think that if you got somebody other than Trudeau and Marc Lalonde in there, they've been really tough on western Canada, particularly Alberta. I guess partly because they can't elect anybody out here, so they decided to take it out of us I think, make it tough. So I think a change in government would be good for western Canada.

#132 SB: Do you think the industry will move automatically, more towards Canadian ownership or do you think it's headed in that direction?

BM: Well, yes. You know, it was always headed in that direction. It was moving towards more Canadian ownership quite satisfactorily I thought. To get in there and spend literally, billions of dollars to force that kind of an issue, I don't think it was called for. So I think that they'll probably relax . . . and the foreign investment review agency, that was another thing that hurt, it's hurting Canada very much. It stopped a lot of investment money coming into the country, got a lot of people mad at us. Also this back in rate they gave on federal government lands, 25% to Petro Can so they could back in for nothing on a lot of that land that these companies had spent a lot of money exploring. I don't think they needed to do that at all, they just wanted to try and make Petro Canada a successful company. But it hurt us, it hurt us in the United States, it hurt us in Europe and it gave us a bad name in a lot of countries that thought that Canada was a good haven for risk taking

and investment. And they really pulled away and they didn't like it and that's hurting our economy right now. I think in the United States the unemployment is only 7 1/2% or something and we're 11 1/2 or 12, you know, as an example. And these are some of the reasons why. This nationalism thing and foreign investment review agency and discriminating against the foreign investor being some of the major oil companies. I think they did a great job here in our country. If it wasn't for Imperial Oil finding Leduc we'd still be driving back and forth to Calgary and up to Banff and Jasper on gravel roads.

SB: Or still getting the gas in Turner Valley condensate?

BM: Well I suppose they'd have got out and they'd have found some of these things. But to get out and drill 140 some fry holes and persist in exploring and then come up with Leduc, it might have taken us many, many years to make that discovery. So we have to thank some of the foreign investment for that. And they're good corporate citizens in my opinion. We do business, we're partners with all these major companies, we farm out to them, farm in from them, and we partner with them and I've got a great deal of respect for them. They're tough traders but I don't see anything wrong with that, I'm a tough trader too. That's what makes the wheels go round. Governments to me, I think they should guide and tax and they should stay out of the business. They just prove that they aren't capable of running it. If you look at building aeroplanes and the billions they're losing doing that as an example and the Petrocan thing, same thing, just a hell of a waste. Of taxpayers money.

SB: Are there any other comments you'd like to make about your career or the industry before we wind things up?

BM: No, I think the industry's got a great future. You know, if there's a little more rapport and a little more understanding between governments and the industry, it seems to me that they should be able to sit down and negotiate these changes. And if they do that the future has got to be great for the western provinces. Because there's a lot of oil here to be found, then there's the heavy oil that we put on and so forth. The gas will be sold some day so we'll see the industry pick up. And some time 30, 40 years from now they can get out and develop the Beaufort. No, it's been a great industry to have been involved in and I don't regret any part of it.

SB: Well, it's been an interesting interview and I'd like to thank you for participating.

BM: Very good Susan.