

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: David Penner

INTERVIEWER: Nadine Mackenzie

DATE: November 1984

NM: This is Nadine Mackenzie speaking. I am interviewing Mr. David Penner at Ranger Oils. Mr. Penner, thank you for having accepted to participate in our project, can you tell me, when and where were you born?

DP: I was born in the southern Ukraine, just north of Odessa, near the city of Krivoi Rog, in a village of ???, to a Mennonite family, parents. I was born in 1913. We immigrated to Canada in 1923, when I was 9 yrs. old. At that age I can remember many things before we left and during the trip. In Canada we landed in Rosthern, Saskatchewan where my father got a job and my brother and I started to go to school to learn the language. I'd already had 3 years of public school so I was familiar with arithmetic, but only the German language.

NM: Could you speak Ukrainian too?

DP: No. The rule was that the first 3 years of a 6 year public school we could learn German only, the instructions were all in German. The 4th year, 5th and 6th year, then you had to start speaking Russian. So I just missed the schooling in Russian. But I did learn quite a bit from the Russian help that we had.

NM: Why did your parents immigrate to Canada?

DP: The conditions were not too good. Right after the Russian revolution we were in the path of the White Army retreating to the Black Sea ports from where they would go to other countries. It was the Red Army that was right behind them, chasing them and we were right in the path. You mentioned the book that I have described, one night, that was a little horrified, when the Red Army set up the cannons at one end and the White Army at the other end and they were shooting at each other over our heads. We left our place to go to another safer place. It was just the atmosphere was such that it was a good time to think about getting out. And when the Russians opened up in 1923, 3 months in which we could leave, we left. We had to cross from our place, all the way to Latvia, to catch a boat. That took us 2 weeks to get to Latvia, on the ship and then the ship crossing the Atlantic took another 3 weeks. And possibly just another couple of days to get to Rosthern, Saskatchewan. Anyway, I learned the language, it was fairly easy to pick it up. We moved from there, 1924, to Harris, Saskatchewan, on a farm. We went to a public school there, 2 miles from our place. Walked in the summer time and horse and sleigh in the wintertime. I took all my public school there and I finished public school in 1929. Then I went for high school, we were 11 miles from Harris and it wasn't very easy to go there so I went to Waldheim, Saskatchewan for 3 years high school. Then 1 year, grade 12 in Rosthern, Saskatchewan, took my grade 12. I graduated from Rosthern in 1933 and started university in 1933.

#065 NM: What did you study at university?

DP: The first year I took chemistry and all the sciences, except geology, I couldn't fit geology in. In fact, I didn't know very much about geology. So the following year I took geology. I wanted to take all the sciences and pick the right one. I chose, in the end, geology and graduated in 1937. The summer of 1937 was spent on Reindeer Lake, in the northeast corner of Saskatchewan with the Geological Survey.

NM: So it was a summer job?

DP: Well, it was geology, yes. Actually, it was mapping granite. I mapped granite all summer. I came back to Saskatoon in the fall of 1937 and caught a cattle train to northern Ontario. That trip, the fare cost me 2 cases of beer. I got to Timmins, where I had a friend, John Anderson Thompson, and he helped me with getting a job. I did get a job underground in the mine and I ended up with Pamor??? Mines, in the south Porcupine, Timmins camp.

NM: Was it difficult at the time to find a job?

DP: Yes, it was. I had to start with mucking, shovelling rock. I finally graduated to sampling, from sampling to rodman underground, from rodman to surveyor and from surveyor to finally, in geology, in about 1941.

NM: So it must have been a tough job at the beginning?

DP: It was, there weren't too many jobs available. The workers, the ordinary worker had a hard time getting a job because there were always quite a few standing at the gate, every morning, looking for a job. They finally would be given a job mucking underground. Now I was there till 1942, 1 year in the army, 1942-1943. I was discharged in 1943.

#104 NM: What did you do in the Army?

DP: I was sent to an officers training course in Brockville, Ontario. I had been 5 years in the mining working underground and when I came out and weighed in to the Army I was 129 lb. At Brockville, we had a forced march, 12 miles with full gear and I passed out, somewhere around May 1943, and I was sent back to Toronto and they told me I was going to be discharged for health reasons and they gave me 3 places to write to. One was underground in the Sudbury camp, one was a Bauxite mine in South America and one was the Conservation Board in Calgary. The Conservation Board answered first and I was very glad to accept it, to get back west.

NM: So that's why you came to Calgary.

DP; That's how I came to be in Calgary. I was very glad to get away from underground. So I came to Calgary in 1943 in July. I was married by that time and we had one young son. First thing was to find a place for the wife and the son and it was hard getting accommodation because nobody wanted a child.

NM: How was Calgary in '43? It must have been a very small place.

DP: It was during the war and nobody wanted children. I looked around and about the only place I could find was one place upstairs in Chinatown. I thought before accepting that I should try places where they didn't want children. I did go and with the newspaper in hand I went to a place in downtown Calgary here. I had to promise that I would pay any damage that the child would do.

NM: That was the reason why people did not want children?

DP: That's right, that they would damage. It wasn't long, so they accepted me. It wasn't very long, they fell in love with the boy and he couldn't do any wrong. So anyway, that's how I started in the oil industry, with the Conservation Board on 6th Ave.

#148 NM: How were the offices of the Conservation Board?

DP: They were very good. Of course, when I first came I was sent to work in Turner Valley. Mary Turner was the geologist in charge of the lab and for 3 months I worked in Turner Valley going to the wells and recording, picking up charts and various things, taking pressures of wells. Finally, I was asked to come to the Calgary office to assist Mary Turner and I was, of course, glad to do it.

NM: Mary Turner was a female geologist?

DP: Yes, she was a geologist.

NM: There were not many female geologists at the time.

DP: No, there were not. In fact, I think she was about the only one. The job consisted mostly, of examining samples from all of Alberta and reporting the descriptions of the samples and our determination of the geological markers. So the geologists of the time got a very good grounding in the sample work and the sample look of the formations. And that was the only means of identifying geological horizons. Because there were no electric logs or sonic logs or density logs like we have today. This was the only means. Of course, at the Conservation Board we were not concerned about mapping, all we were was looking at samples. Mary Turner left about 1945 I guess, so I was put in charge of the geological department. Jim Humphreys came as my assistant. I left the . . . well, before I go from the Conservation Board I thought I'd relate a few of the . . . there weren't many experiences while with the Conservation Board. As a government geologist I received a lot of attention from promoters of leases and also, of equipment. One experience I had was with a promoter who was promoting an instrument which he claimed he could tune in from a room in the Palliser Hotel, tune in on an area in the foothills and determine that there was oil and gas there.

#210 NM: That's marvellous.

DP: I finally went to his room in the Palliser Hotel and he tuned in to an area west of Ram River, in the Ram River area, and . . .

NM: Was he doing that over a map?

DP: No, no, this was just sort of a radio affair and he tuned in like you do on the radio. And he claimed he got this area and he claimed that there was oil and gas there in the Mississippian. Well, I by that time, I knew enough about the geology of Alberta that when he said that, I said, I don't think so because the Mississippian is not there, it has been eroded. Oh, well then, it must be in the Devonian, the underlying Devonian. I was very sceptical of course but he never bothered me again. Whether he got others interested in his equipment I don't know. I don't know that anybody ever went . . .

NM: He must have been trying.

DP: Oh yes, sure, you've got to try. So that was that. Another experience I had at the Board, a well in the Lundbreck area was drilling with cable tool. It had been drilling since 1934,

this was about 1943 or '44. Cable tool. And they brought in samples every few days, 2 or 3 samples, each about 1-3 foot intervals. Little bags of samples. Of course, I had to look at them right away and tell them as to where they were in the section. So this continued for years. I don't know exactly what year it was but possibly around 1945, when they reached about 10,000' and as I remember they were very close to the Dalhousie sandstone. There was an accident at the site, a pipe fell on the promoter. I have in mind, maybe a Mr. Taylor. That accident killed him and that finished the well, the well stopped right there. Nobody could promote it anymore. The third experience with another promoter, who was drilling a well in the foothills area. He too, would bring me samples quite often. But of course, this wasn't cable tool, this was ordinary standard drilling at that time. He was quite interested in this acreage, he had quite a bit of acreage. But in the foothills the well was faulting and faulting and he couldn't make too much progress in this particular well. So he wanted to stop it but what he had in mind was to start another well, pick another location, this one wasn't doing well. But that meant that he had to explain to his backers as to why . . .

#283 NM: The reasons, yes.

DP: . . . he wanted to stop that well and pick another location. Well, he had a scheme. One day he came in and said that the well had faulted while drilling. I was sceptical, I thought that the area was quite stable by this time, that there wouldn't be any faulting. However, yes, he said, he had the evidence. It bent the drill pipe and he wanted me to come and see this evidence at the well and he wanted me to give him a letter saying that the well, in my opinion, the well had faulted while he was drilling. Therefore it was necessary, with the mechanical difficulties that he was encountering, to stop the well. I went to the site one Saturday and saw this bent drill pipe but I was still sceptical and I refused to give him this letter. However, he stopped the well and went east, I don't know what story he told them but he came back with more money to drill another well. So he picked another location.

NM: Did you not give him the letter?

DP: No, I couldn't give him the letter. That would be folly on my part. So he picked another location and he got good advice and he went and picked another location east of this hole that he had been drilling. He told me where he was going to drill the next well and I said, I don't think you should go that direction, you should go west not east. Oh no, he had some very good advice. So he did and of course, I left in 1947 I was hired by H. H. Beech, who was with Texaco. So I was away from the Board and from doing the samples for all these people.

NM: This is the end of the tape.

Tape 1 Side 2

DP: I left the Board in 1947 but the well that I was talking about had not reached the Paleozoic, Mississippian and he never did reach it. That made me feel good but he didn't feel very good.

NM: You tried.

DP: Yes, I tried. There were, at the time in those days, there were only 4 consulting geologists, in Calgary, probably in all of Canada. At least, 4 consulting geologists in the soft rock.

NM: Do you remember their names?

DP: Yes, there was Stan Slipper, Dr. Sanderson, Johnson and . . . there's another one.

NM: Slipper, Sanderson, Johnson.

DP: Joe Somebody. They would make very good use of the Conservation Board because, as I said before, the only means of identifying the horizons was examination of samples. They did not look at samples but they came to the Board to have the samples looked at and described and then they would report my report to their clients. So they made good use of the Board.

NM: And your work was put also in good use.

DP: It wasn't bad. I don't think I gave them too much false information. I gave Nickle information every week, the Bulletin would phone every week for information and I would give them information over the phone. I never met Carl until about 3 years after. We had talked on the phone every week and we had never met so it was a nice experience to finally meet Carl. Now as I said, I left the Board in 1947 to go with Texaco.

NM: Why did you leave the Board?

DP: I guess it was money. I started with the Board at \$135 a month and it took me 4 years to get to \$195. When I was offered \$250 that did it so I was enticed to leave the Board and go into industry. I was with Texaco until about 1951, 1951 to go to Sharpless Oil, from Sharpless Oil I went to Royalite and when Royalite was taken over by Gulf, or BA at the time, I did not go with to BA. I went consulting.

#048 NM: Can we go back a bit and can you tell me, what did you do at Texaco?

DP: It was very much the same work, samples, I was sort of in charge of the subsurface department. Texaco had quite a bit of land in the Edmonton area, south of Edmonton and they were drilling wells. The Leduc discovery had been made in February of 1947 and Texaco started to drill wells too. My work was very much the same except that I was responsible for the subsurface geology and we had quite a few, we had an office at Wetaskiwin and Dr. Bill Howells was in charge of the Texaco office there. Of course, at that time it wasn't Texaco, it was McCall Frontenac. It was very much the same work. It about 1951. . .

NM: From McCall Frontenac you went to. . .?

DP: To Sharpless Oil, which was a small American company that had just come in to Canada and somebody had given them my name to contact. So they did contact me and it was another increase in salary so I took it. It was actually very much the same work except that now I was responsible for plays for Sharpless Oil. That didn't work out very well because Sharpless Oil was an American company headquartered in Denver, the oil and gas arm, and there in the States they could get acreage for \$4 an acre or \$2 even. When they came to Canada they didn't think that they should pay any more than that. There were a lot of opportunities in the Crown sales but I had to find acreage that would say, cost them 50 cents an acre, something like that. We didn't make any headway. Any recommendation that they made, they wouldn't follow up on it. So the manager agreed

with me, Paul Chapat agreed with me that there was no use in going on so it was a mutual agreement to part company.

NM: What happened to this company later on?

DP: They stayed here for awhile in Canada and finally, they pulled out. they couldn't make a go of it. So from Sharpless I went to Royalite and as I said, in about 1958 BA took over Royalite. Most of us, we were 12 geologists and most of us didn't go with BA, we got other jobs. I couldn't get a job so I went consulting and did a lot of other things. I found limestone in the Crowsnest Pass area for a cement company in Edmonton, Inland Cement. Another industry that I got into as a consultant, I got into potash and drilled about a dozen wells for Noranda Mines, for potash. So I got quite familiar with the potash industry. That finished about 1966, I guess somewhere around there. I also, while doing the potash work I was also consulting for Ranger Oil. Mr. Pierce just told me to do whatever I thought best for Ranger.

#113 NM: How did you meet Jack Pierce?

DP: We were on a well just in the Nanaimo??? area, northeast of Edmonton. He had taken a farm out from Sharpless Oil and I was on this well as an observer and of course, Jack was also on the well. That's where we met. It was a success, we got oil in the lower Cretaceous sands. Then when I started consulting he asked me to do some work for Ranger Oil.

NM: Was the company called, already, Ranger, or was it called Maygill?

DP: It was Ranger Oil. The names changed in, I think it was 1951, from West Maygill, to Ranger. As I said, I got quite familiar with potash. Then in 1967 Jack Pierce lost his geologist and he asked me to take over. It was almost for a year that I was a busy man, spending the day hours at Ranger and then at night, I had to take care of my clients.

NM: Did you have an office in Calgary?

DP: Yes, I had an office, first at 735 - 8th Ave., above Mannix Construction and then I moved to 820 - 8th Ave., above the Olympic Bowling Alley. That is now the site of the Nova building. So I was quite busy for as I say, a whole year. Finally, Jack Pierce asked if I would come with Ranger as an employee. I did, it didn't take me very long to decide because I had not had a holiday and this meant that I could take 2 week holidays a year. So working for Ranger Oil as an employee was interesting. We got into uranium in northeast Saskatchewan. We got acreage there. So I got to know a little about uranium. There was also a prospect in northeast Alberta for sulphur, we took a little acreage there. Then we began to think about foreign prospects. So Jack and I started to work looking for foreign. The first one was in . . . in the second round of awards in the North Sea. Ranger did not get any acreage but we decided that there were a lot of prospects in the North Sea. Finally we did get, in 1970, we were awarded, in the third round of awards, we were awarded 4 blocks. I was posted to London to do the seismic work on these 4 blocks. Our seismic consultant was Bill Ryer???. Bill and I did the work on these blocks and we finished in fall of 1970. Then the word came that England, the UK was going to have a 4th round of awards in 1971. That meant that I was going to stay there. So I started working on the 4th round of awards acreage. We didn't know what acreage was going to be made

available but everybody was just scrounging around for seismic surveys. There were a lot of groups formed to start seismic shoots and we got into one seismic shoot. I hired 2 seismic geophysical consultant firms to work for Ranger.

#200 NM: In England?

DP: In England, yes. We worked very hard during the months of January, February and March because the awards, the acreage was to be announced in May. And possibly the awards were going to be, we had to get our bids in by June. That didn't happen but finally, the acreage was announced in June. We got our bids ready then, for August. We got our bids in in August and we picked a lot of blocks, 4 blocks in conjunction with BP and another 3 blocks with another group. CPOG was one of the participants with us and the other. Then some blocks on our own, so we had about 12 blocks in to the government. We had to make presentations to the government. To make a long story short, we finally were awarded blocks in late 1971 and early 1972. The block with BP, block 38 looked very good. We drilled the block, started in 1973, finished in 1974 and it was a success. It was a discovery well and it was a good feeling for me when the papers in Britain, the evening papers came out with headlines, "It's a Gusher, Oil Galore". When that was done, of course we had already done a lot of seismic work in Norwegian waters too, in the North Sea. However, in 1974 then, Jack Pierce said, you can come home now. So my wife and I, we came home to Canada in September 1974.

#251 NM: And then you came back to work for Ranger in Calgary?

DP: Back to the Ranger office in Calgary, yes. I was a little leery about picking up the Canadian oil industry after being 4 years away from it.

NM: Did you find a lot of difference between the oil industry in England and the oil industry here in Canada?

DP: Oh yes, it was different. In England the information on wells was not made available until, what was it, 10 years after it had completed. The only way you could get information on wells would be for you to drill a well and then, you could trade your information for wells with other companies. I found it very difficult getting information and it wasn't until, let's see, we had drilled a gas well in the southern gas area. We finished that about 1973 and I traded that well with everybody and that was the first, it took me about 2 years to get any geological information on the North Sea. Whereas in Canada the Board made the information available after maybe 3 months.

NM: Why is it like that in England, why is it so secret?

DP: That was their way of doing it. And the companies working there were quite pleased with it because they were very, very, they guarded their information very well. Shell particularly, they were . . . in fact, when the 4th round of awards and we picked blocks in the northern area where seismic showed very good structures, Shell and Esso were the only companies that had drilled a well in there. They knew the geology of the area but the rest of us, we didn't know. We just picked those blocks on the basis of the seismic structures. So it was very different.

#301 NM: You came back to Calgary and what did you do then?

DP: Instead of picking up where I had left off in 1970, Mr. Pierce thought maybe, since I had worked in the gold mines in the Timmins area I knew a little about mining and minerals so he started a minerals department and I was put in charge of the minerals department. The first thing we did was get into coal, metallurgical coal. We got into a property in northeast B.C. called Mt. Speaker property. So I had to learn about metallurgical coal. That was very interesting. From there we also prospected for uranium in conjunction with Lecana Mining. That didn't work out but the coal kept me busy and we started prospecting on our own for minerals. I hired a consulting geologist who would just prospect during the summer for minerals in British Columbia. That's about all. Ranger retired me in 1978 but I stayed on for a year and then I went on a consulting basis for Ranger Oil.

NM: This is the end of the tape.

Tape 2 Side 1

NM: This is Nadine Mackenzie speaking, this is the second interview with Mr. Penner. Mr. Penner, could you compare the training of oil people in your time to what it is now?

DP: When I started in the oil industry here in 1943 there were no electric logs. So the geologist started his training by examining samples, learning how to interpret the samples as far as porosity, oil staining and so forth. Whereas now he has sophisticated logs to look at and I believe that that is where his training starts. Although he does have to examine samples to prepare himself for well sitting. So there is a difference. Also the geologist of today has to be exposed to seismic sections and learn the rudiments of geophysics. I think that's all I have to say on that one.

NM: Could you comment on the ups and downs of the oil industry, you have been a witness to that?

DP: Yes, I came in 1943 and the only activity in 1943 was Turner Valley and some wildcat drilling in the other parts of the province. But by 1945 Turner Valley had reached its peak. Then in February of 1947 Leduc provided the spark that saw the development of the oil industry for many years to come. Then in 1956 - '58, the oil industry was in the doldrums again because there was no pipeline to transport the oil to the east where the market was at that time. This was remedied by the Inter Provincial Pipeline built shortly after, followed by the Trans Canada Pipe to transport gas to the east. In 1980, the NEP demolished the industry. First, because of the taxes levied on it, and second the diversion of capital from the western plains to Canada lands offshore east coast. It's now 1984, it's picking up a little I believe and 1985 should see some improvement in the industry. However it will not be at the level it was in the past. The reason for this is the reduced demand for oil because of smaller cars and discoveries will be harder to come by.

#049 NM: So it will never be what it was?

DP: It will never be what it was, no.

NM: What do you think of nationalized companies, like, for example, Petro Canada?

DP: This is the age of state oil companies. Every country, except the United States has one in place. In our case, Canada has its Petro Canada, which is made up of properties purchased by us, the taxpayer. As such, there is no thought of assessing the worth of the acquisitions. This is typical government process. As a result we paid too much for the properties it now has. In the case of Petrofina, I believe it was 3 times its value that we paid for it. Now the question of efficiency in the operation is questioned because the people running it are not accountable to anyone. We need to change that aspect, there should be no further subsidies to Petro Canada. It should be made to operate like any other oil company. If it cannot make a profit, why have it. You have a question here about my exciting experiences.

NM: Your most exciting experiences in your career, what were they?

DP: I've had some very exciting experiences in my career. The first was a discovery well of the Elkton gas field. It was a thrill to see the gas that we got on drill stem tests. In the order of 12 million cubic feet a day and it was quite a thrill for me because I was sitting on the well. I was instrumental in getting this one company into this prospect and it turned out well and it turned out to be a good gas field. The second was the discovery of a new reef in the Rainbow Lake area. I was with Ranger Oil. I sat in a phone booth for 2 ½ hours waiting to get a line to talk to Calgary. Rainbow Lake, the only accommodation was that provided by Banff Oil Co. and the service companies, those that had actual rooms in this accommodation complex, they had the priority of phone call lines. But I was just sitting in the booth so I didn't have any priority at all and I just had to sit there and sit for 2½ hours. Finally the operator said, are you still there and I said, yes I am and he said, I'm going to give you a line. So that was one. The third exciting experience of course, was the discovery well of the Ninian field in the North Sea. A field that has a reserve of 1.2 billion barrels. I consider that. . . that was exciting.

#103 NM: Mr. Penner, do you have any publications?

DP: Yes, I have some to my credit. I published papers on the Mississippian in the 1950's and named some of the formations in these papers. Like the Elkton formation and Shunda??? formation, I named those formations. When I got back from England in 1974, I was asked, I believe it was the Canada Geological Association, asked me to review for them, several books on the geology of the North Sea, which I did. I haven't published anything since.

NM: What about your professional affiliations?

DP: I am a member of the associations that most geologists belong to, a member of the CSPG, AAPG, CIM, Association of Professional Engineers, Geologists and Geophysicists.

NM: Does that keep you busy?

DP: Yes. When I first came to Calgary of course, I joined the Alberta Society of Petroleum Geologists, as opposed to what we call it now, it's now called the Canadian Society of Petroleum Geologists. APEGGA, I joined that when I was with the Conservation Board. That came about by, I published a cross section of sections the length of Alberta. This came to the notice of the Professional Engineers as it was called then and they sent me a letter saying that it had come to their attention that I had published you see. I hadn't

published it, it was the Conservation Board that really published it. Mr. Bailey. . .

#143 NM: Was it Andy Bailey?

DP: A. G. Bailey was it, he saw my rough copy of this cross section and he liked it so he said that he thought that we should fix it up and then put it up for sale, publish it. Well, I had no objection to that. He did send it to Edmonton and they put colours to it and it came back to Calgary and it looked pretty nice and he immediately advertised it and the first day Imperial Oil bought 50 of them. So this had come to their attention and Dr. Allen came to see me in Calgary and he said, you should join the engineers. Well, it would cost me \$22. That was a lot of money for me with a salary of \$135 a month. So I didn't think that I should pay for it. The Board wouldn't pay for it but Dr. Allen insisted so I joined APEGGA under protest. However it has been very good for me because when I went consulting it helped me in that I was known and I'd established a status in the oil industry.

NM: Do you have any other professional affiliations?

DP: As I said, I belong to the CSPG and I still maintain those. I've given a lot of them up.

NM: Looking back at your career, what do you think of it?

DP: I think it's been very exciting. Over the years I have been exposed to many interesting, prominent people and to numerous industries. I started in gold mining, then I got into the oil industry and while in Calgary I got involved in potash in Saskatchewan through Noranda Mines when I was consulting. Back in Canada with Ranger Oil I got involved in metallurgical coal, I had to learn metallurgical coal. These industries took me to many provinces in Canada and countries throughout the world, such as England, UK, Lebanon, Spain, Denmark, Norway, Japan and South Korea. So I think I've had an exciting career.

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

DP: Thank you.