

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Jack Pierce

INTERVIEWER: Nadine Mackenzie

DATE: October 1983

NM: This is Nadine Mackenzie speaking. I am in the office of Mr. Jack Pierce. Mr. Pierce, thank you for having accepted to participate in our program. Can you tell me, when and where were you born?

JP: I was born in Westmount, Quebec, February 22, Washington's Birthday, 1924.

NM: From a French or English family?

JP: Very complicated family. My mother's family had come from Holland in the late 1800's, to Cincinnati, Ohio and then they immigrated before the turn of the century to Quebec and became farmers at ??? and intermarried with French Canadians in Quebec.

NM: Where were you educated?

JP: At Westmount High School and McGill University.

NM: And what did you study at McGill University?

JP: I took one year of pre-engineering, 2 years of general engineering, mechanical, civil, and then 2 years mostly geology and geophysics.

NM: Why did you choose these subjects?

JP: I was always interested in exploration. My father's family were early fur traders in the Canadian north and they were active in fur trading and mineral exploration so it was in my blood you know, to explore.

NM: And while you were at the university did you take any summer jobs with geology or engineering?

JP: My summer jobs at the time were all flying because I went from high school to Air Force and then to university afterwards. So my summers were still flying because there was a lot of world wide ferrying of aircraft to do in the post war period and qualified crews like myself were still called back to do that work.

NM: And after university what did you do because you could have become a professional pilot?

JP: I know, I was making something like \$1,000 a month with all sorts of tax benefits at the age of 22 or something like that. In those days it was very tempting but I had very strong pressure from my parents who, as usual, knew more than I did, to become educated and go into a profession other than flying. So I went to work for Sun Oil in Beaumont, Texas, right out of McGill, the same week.

NM: And what was your first job then?

JP: First job was a geophysicist, strangely enough. Because I had taken Dr. Geis's??? one course in geophysics and I knew the basics and so I worked on gravity metre and seismograph crews in Texas and Wyoming.

#033 NM: And how long did you keep this job for?

JP: Oh, a couple of years. I then got into more geology too, geological, geophysical coordination.

NM: Why were you interested so much in flying?

JP: Well, I grew up in a very air minded area. Of course, Montreal had Carheville??? Airport and St. Hubert and when I was a little tiny boy the dirigibles came, the R-100 and so on. So at the age of 13 or so I started taking flying lessons on my own and I learned how to fly by the time I was 14.

NM: Was that permitted, was that legal?

JP: Everybody was so broke in those days that they should have asked for #1, parent's permission in writing, a certificate, secondly, you're supposed to have a student's permit from the Ministry of Transport, and that includes having a medical exam to show that you can be a student pilot. I had none of those and nobody ever asked.

NM: But you got your license.

JP: Yes, I got a private then, when I was just a boy you know.

NM: Was your family also very interested in flying?

JP: Well, not so much flying, but my father had been in the Army his whole life. He was a staff officer with the Winnipeg Light Infantry in World War I and continued his connection right through between the wars and of course, was in the Army through World War II.

NM: And did you do a lot of flying even when you were at university?

JP: No. I went into what was then the Atlantic Transport Group, the successor to the old Ferry Command, right at the age of 18.

NM: That was very young. So going back to your career in the oil patch, you worked for Sun oil for 2 years. Then after that what happened?

JP: After that I worked for a company out of Tulsa, an independent oil company in which I worked in Illinois, New Mexico, California, Wyoming, Texas, everywhere. And which I did everything from leasing and clearing titles to sitting on wells and completing them, it was marvellous experience.

NM: Very good training.

JP: Yes. The major company training first and then this very, very active, zippy American independent. It was very good experience between the two.

#058 NM: Did you do a lot of oil discovery?

JP: Yes, we drilled discovery wells in Wyoming and in Illinois in that period. Then sort of at the same time, or about the same time, in fact, when I was still with Sun Oil, a quite older gentleman by the name of John Agnew, who was a founding Director of the Buck Creek Oil Company, which became part of Conoco in its early days, you know Continental. He offered, on behalf of his group in Wyoming to help back me in starting a new oil company, if I ever wanted to leave Sun Oil. So after I left this independent oil company we did just that. Sort of 3 things happened at once, we started a company in Wyoming, Ranger Oil Company, the predecessor of the present one and I also started a consulting business because I began getting letters and phone calls from Montreal from friends of the

family who said, look there's oil been found in Alberta and we don't know anybody out there. These were largely financial groups, I remember who they were, they were Molson and Company, Collier, Norris and Quinlan and Graham, Graham from Vancouver had a Montreal office, one of the brothers. And there was a 4th one I've forgotten, oh McQuaid, did I say McQuaid. . . no, Hugh McQuaid and Company. And the 4 of them chipped in I think, \$100 a month each or \$200, \$200 a month each, that was it, to pay me this, what was really to me, an enormous consulting fee of \$800 a month which gave us enough money to start a little office in Calgary and one in Wyoming and start advising these eastern financial people on investments in western Canadian oil.

NM: So were you doing a lot of travel between Alberta and. . . ?

JP: Oh, it was terrible. I was driving between Texas, Oklahoma, Wyoming and Alberta. That of course, is where the Air Force background came in, I bought my first little airplane to do all that.

NM: That was easier then to fly?

JP: Yes, and we then, at the same time the consulting business up here, all within a year or so, we were advisors to a. . . well, I should say that the consulting business up here really prospered. A classmate of mine from McGill was with me for awhile, Dr. Peter Badgley, he went on and got a Masters and PhD from Princeton and we had a very high tec group, we were all educated at very high level, I could say, eastern universities, to where our math and geology and engineering and geophysics were very good. We then had some 200 consulting clients. It was just an enormously mushrooming business right away. One of those clients, one of the smallest ones, was a company called Maygill Petroleum and I got so involved with that, that I ended up going on the Board very reluctantly, because I told them consultants aren't supposed to go on Boards. This later ended up being what's the Canadian end of Ranger and we later merged it with the Ranger Oil Company in Wyoming.

#095 NM: Where is the name Ranger coming from?

JP: We were sitting in our lawyers office in Wyoming, trying to figure out a name for the American company. It was Senator Tom Miller's law office and his young junior there I remember, was Eddy Halsey, who I think is now a District Attorney in Wyoming and we looked across the road and there was a flashing sign at the hotel. It said, Ranger Hotel flashing on and off and one of the co-founders of Ranger was Senator Roy Chamberlain, he was sitting in the room. So I said to Roy, what about Ranger so he allowed that that would be all right so that's where the name came from.

NM: From the sign on a hotel?

JP: From the sign on a hotel.

NM: How did you find Calgary at the beginning?

JP: It was a real boom town. I had been out here as a farm labourer, when I was 16-17 years old. So I knew the city when it had 2 buildings, the Paralyzer Hotel and the Hudson's Bay Company and those were the only buildings I think, higher than 2 stories in the whole city. So I was here and saw this early boom.

NM: And what about the business community, how was it?

- JP: It was pretty wild. Promoters from all over the world descended here, mining promoters from New York and Toronto. It was a promoters paradise with the oil boom and it was difficult to sort out the wheat from the chaff in the people.
- NM: Were people investing a lot of money without knowing much about the oil patch?
- JP: No, not really. The big money that was needed for the industry came mostly from the major oil companies and from English and New York underwritings and financings. Eastern Canada did not support the oil industry in a large way.
- NM: Why?
- JP: I think they were. . . the Canadian conservatism and laziness. The Montrealers and Torontonians, especially the Montrealers were too lazy to get up and learn a new industry for the country.
- NM: And Alberta was far away?
- JP: Sure, yes. And it would disturb their going to the Caribbean for holidays or Europe skiing or whatever.
- NM: And then Mr. Pierce what did you do with all this small businesses you had?
- JP: Well, the consulting business was our bread and butter. I remember we had a \$60,000 a year net income from the consulting business, which was substantial in those days and I put that into what's now Ranger. And that was of course, a tax shelter also. But the income that was my consulting business went into Maygill Petroleum, which then the name was changed and became Ranger to coincide with the U.S. company. I should say you know, that Maygill was started out in that Morin, Drumheller area by Mr. Perry, who's now in his 80's and still on our Board and other pioneers. And they did that when I was still a schoolboy, the Maygill Petroleum end. And they acquired some very attractive lands, so we had a good foundation to start with there.
- #133 NM: Where is the name Maygill coming from?
- JP: It came from two of the early promoters, Maynard and Gillespie, May-gill.
- NM: So you went in with this business and then did you decide to move and stay in Calgary?
- JP: No, no, we, from the beginning had the Canadian company, the parent, and the U.S. company, a wholly owned subsidiary, and that's the same way it is today, almost 30 years later. And we started drilling right away, we made our first discovery within a matter of months of, in effect, my taking over the management of Maygill. And that was the Steeville, Cessford gas field. We made that major discovery almost immediately, followed only about a year later with the discovery of the deep zone gases at Viking Kinsella, which is the gas field that supplies Edmonton.
- NM: Did you have a big staff working with you or were you mainly on your own?
- JP: No, 4 or 5 people, never any more. But we used to do this, during the week when we were drilling wells out at Steeville, Cessford area, Peter Badgley would sit on the wells as the geologist and then on the weekend, he'd fly the company single engine plane home and be with his family, he was married quite young in school and I would go from the office, take the plane and go out to the field and run the casing and complete the wells over the weekend. Then we'd reverse the procedure early the next week. The two of us were doing about everything.

NM: So you did not believe in having a huge staff?

JP: No, and we still don't as you know.

NM: Can you tell me a bit more about this first discovery?

JP: The first one which really put us in business was the Steeville, Cessford discovery well, it was called the #6 well. There never had been gas or oil production in Canada ever, from the Basal-Colorado Sand, which is Cretaceous age. Peter Badgley was sitting on the well and he found one grain of sand in his microscope, one little grain and decided to run a drill stem test.

NM: Just for one grain?

JP: On one little piece of sand. On that basis he phoned me up and we discussed it and we agreed to run a test. So I went rushing out there and this test was so strong that it blew the mercury out of the tube on the testing manometer??? and we therefore had discovered the Steeville, Cessford gas field, which had a reserve of about 1 trillion cubic feet. And for a long time was the largest dry gas field in Canada. That field was the backbone of Trans Canada pipelines and also, put the following company in business. Trans Canada of course, first, our own what's now Ranger, Canadian Delhi and also was a tremendous help for Hudson Bay Oil and Gas. Because those companies owned the adjoining land.

#171 NM: And then there was a second discovery.

JP: The next discovery we made was the following year. A long way from there, up at Viking Kinsella, which is 100 miles east of Edmonton. The gas production there since the turn of the century had been in the shallow Viking sand and on the basis of very detailed seismic using methods that are now called multi-fold or digital, which we developed ourselves then, we discovered reef way down deep and we found 6 or 7 deeper zones and found a major gas field out there at Viking Kinsella. It's now about 27 years later and that field still has almost the same recoverable reserves after all that production.

NM: So it was a fantastic find.

JP: Oh yes, we had 2 major finds in 2 years that started the company off. And we really never looked back.

NM: And from then, after this fantastic discoveries, what happened?

JP: We just kept on the same route. We'd find discoveries and develop them. We developed some excellent financial relationships, like we became the Canadian agent so to speak for Colorado Interstate Gas from Denver. We had 20% in the ventures and they had 80. But we only had to put up 12% of the money, plus it gave us access to virtually unlimited working capital, with a giant utility in the States like that. We used that connection to develop a good part of the Joffre field in central Alberta near Red Deer. Then we made another fine discovery for us, which we owned 100%, a Joffre D-2 in deep limestone at Joffre. We went on making continuous discoveries. Next became Rainbow where we were one of the few companies to end up with a substantial discovery in Rainbow. And then Mitsu where we drilled I think, in partnership with Chevron and others, some 17 wells in a row without a dry hole.

NM: How do you explain your success because a lot of companies are looking for discovery, are looking for oil and gas and don't find anything?

JP: It's a combination of the best possible geology, geophysics and engineering, together with very good land lease work and business all combined.

NM: So are you sure each time to hire the right person?

JP: I wouldn't say that. A lot of our very early discoveries, like Steeville and Viking Kinsella, the if you can call it, scientists involved, were myself and Dr. Badgley. Then for years and years the later ones were myself and Dave Penner who is now sort of retired but still works several days a week. He was our Chief Geologist in London in later years when we made the giant Ninnian??? discovery with BP. So there's really been very few people involved.

#213 NM: That's right. I was wondering about this intuition people have about finding. Do you believe in that too?

JP: I'd say it's not so much intuition as it's careful direction of the best possible science and technology.

NM: You were also involved with the Arctic.

JP: Yes, myself and Jim Mason who was with our Vancouver financial end at the time, he was originally an engineer from Drumheller, Alberta, he and I got the idea of exploring in the high Arctic. The Spurdrup Basin was especially attractive to us. This was in the 50's and we took out extensive lease holdings from the federal government in the name of Talent Oil and I think you'll find the name Talent on some of Pan Arctic's maps. Then in came Mr. Diefenbaker, a supposedly Conservative Prime Minister and under him they changed the rules in the Arctic.

NM: Suddenly?

JP: Suddenly, drastically. Some members of Parliament were saying, the Arabs get half the oil, why shouldn't we and nothing had been found up there yet. So I said to our Board right then and there, this government in Canada is greedy before anything is found, we'd better get out. So we sold or dropped all our Canadian Arctic holdings. We had holdings with Imperial in the Mackenzie Delta area, we had a million acres in the Beaufort plus these extensive holdings way up in the high Arctic and we dropped the whole thing. We were in marvellous financial shape at the time for a small company, we had I remember, a million dollars cash and no debt and only 900,000 shares outstanding, because of all our early discoveries here. So I then, again with the Air Force background, went roaming around the world looking for opportunities. I was in the Middle East, Africa, southeast Asia, everywhere. That led to Ranger's large present foreign involvement.

NM: So you decided then to expand?

JP: Yes, we found opportunities abroad that did not exist in our home country, plus of course.

...

NM: Like what, what type of opportunities?

JP: I should say of course, we kept up our American. . .we've always had a very viable U.S. subsidiary.

NM: But what were these opportunities?

JP: The opportunities were to acquire large land blocks in very attractive geologic areas and with very attractive lease and tax agreements with those governments, all three of them

much better than existed at home.

#252 NM: So where did you expand, which country?

JP: The North Sea was the one that rapidly became our main focal point, and this was about 20 years ago. We made our first discovery in the North Sea some 12 years ago, we've been there a long time. I sent Dave Penner, our Chief Geologist, along with Rein deWit, a consulting geologist who's a great pioneer here and the two of them studied all the perimeter geology of the North Sea for the company and then I stayed up putting it all together I remember, many nights in the kitchen of the flat we lived in and recognized the North Sea had tremendous potential. From pure geology, this was no geophysics, it was all pure geology. But they did a great job, Penner studied the outcropping geology for example, the rocks in Denmark and Norway and on the coast lines and combed the museums of the countries surrounding for geologic data. We then developed excellent relationships with the British government. The first interest we showed with the British government, I asked them for a concession on the whole North Sea.

NM: What did they say to that.

JP: Which we didn't get. This was of course, before Britain had ratified the Geneva convention. So we were there from the earliest times. As soon as we started acquiring or being granted large land grants in the North Sea, I gave that top priority over the rest of the world and we dropped exploration we had in Nigeria, the Middle East and we sold a substantial interest we had developed in Indonesia. To concentrate on the North Sea so we could have the biggest interest possible. And that really paid off.

NM: And other countries, no?

JP: No. UK, North Sea was our main area of concentration through that decade. As is well known we formed 2 British companies to bid with us, one called SCOT, Scottish Canadian Oil and Transportation and LASMO, London Scottish Marine Oil company, who are having the opening ceremonies of their Canadian office this coming Friday here in Calgary by coincidence. We formed those 2 companies with Casanov, the investment bankers in London, probably the largest stockbroker in the world. Our theory there of course, was to have indigenous British companies bid with us for these lands in opposition to the international majors. Having an indigenous interest like that, from the country and people involved, would give us a very good chance of securing these permits. Now that really worked. LASMO today is a giant company, as you know, LASMO bought Dome's foreign properties a year or two ago. LASMO has a capitalization probably of 2 billion pounds or something like that. LASMO and SCOT have since been merged.

NM: This is the end of the first interview with Mr. Jack Pierce.

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Tape 2 Side 1

NM: Mr. Pierce, can you tell me a bit more about the story of the Rainbow discovery?

JP: Rainbow was a good example of pure geology resulting in a major discovery. I was studying well logs of the area myself and I found 2 things of interest. #1, a well called Imperial Black Creek #1 had some oil shows in the middle Devonian but at that point, just as important to me is 2 old wells drilled by Central Del Rio at Zama Lake found gas. And the gas, and this is where engineering training as well as geology helps, the gas had very high btu content, it was very rich. I therefore thought that meant there could be oil nearby, it wasn't just ordinary gas. So I had then, Dave Penner, our Chief Geologist, commence an in depth study of the area. Now I'm telescoping several years because otherwise we'd be here for days, we then entered seismic group shoots of the area, with other companies. We found a group shoot line, one line that looked like it was coming up on reef. On the basis of that we did a relatively steal bid of \$250,000 on a quarter section of land and that turned out later, that turned out to be the link hole discovery of the southwest Rainbow field. And the reef had some 600' of gross oil pay and was one of the major discoveries. So you look back today, almost 15 years later, on Rainbow and virtually all the oil in Rainbow was found by only the following companies, the Banff-Mobil-Aquitaine team which was one team, Imperial Oil and Ranger.

NM: Looking on the oil and gas fields map of Alberta, one can see that Ranger has a lot of properties. Can you comment on that?

JP: Ranger has been here a long time. The company as we mentioned the other day, started in Canada as Maygill Petroleum and my ancestors in management leased a lot of early properties and then we later took over Bralsamin??? Petroleums, that was short for British Columbia, Alberta and Saskatchewan and Bralsamin had a lot of early titles, especially in that area around Wainwright and Irma in Alberta, covering many townships of land. In that area up there Ranger is the largest land owner in 10 townships of land. And that's where we've made a lot of our recent gas discoveries. We made our first one there 27 years ago and we're still making discoveries there.

#033 NM: That's fantastic. Can you tell me about the Canadian production of Ranger?

JP: It's small compared to our worldwide production of course, but it's still significant in Canada. Probably it's best put into dollars, between oil and gas together we earn about 25 or 30 million dollars a year in Canada.

NM: So what would you consider the place of Ranger Oil Ltd. here in the oil patch of Calgary?

JP: Unfortunately with the Canadian political scene the way it's been, with the constant competition between the federal and provincial governments to get the most revenue, leaving very little left for industry, it has not been an attractive place to explore recently. Plus the fact that there's no market for gas, no new market for new gas. So our main function here is watching our old production, #1, secondly our headquarters base for our worldwide operations because now 90% of our assets are outside Canada. Because we've

been so successful outside Canada. And thirdly monitor the Canadian opportunities very carefully so at the right time we can move back in here.

NM: Can you talk about Ranger's drilling activities in the United States?

JP: We've been active in the United States since the very beginnings of the company. We made discoveries in Kansas in the early 50's and those properties are still producing after all those years. Just this year we drilled yet another discovery in one of those old Kansas leases, almost 30 years later. We've had production in Wyoming, North Dakota, Montana, Kansas, Louisiana and Texas for over a quarter of a century.

NM: That's a long time. And Ranger has properties onshore and offshore?

JP: Both onshore and offshore. Our present area of greatest activity is southwest Colorado and North Dakota where we have made several field discoveries in the last year, of whole new fields. And of course, we have extensive holdings in the Gulf of Mexico and we have one major discovery in the Gulf of Mexico and another 15 or so blocks to drill.

NM: Can you tell me about the Ninnian field, the history behind it?

JP: The history behind the Ninnian field derives from our BP-Ranger exploration partnership. We went searching foreign some 20 years ago and about probably 15 years ago, concentrated on the United Kingdom North Sea. Really the North Sea in general and then more specifically on the UK North Sea. Our early exploration efforts in the North Sea resulted in our forming a partnership with British Petroleum in the southern and middle North Sea and this was later extended to the northern North Sea. A direct result of that exploration partnership was the discovery of the Ninnian field, which is a giant field on world standards, as you know.

NM: And what about the Columba field?

JP: Columba really is 2 fields just south of Ninnian that we discovered after Ninnian. They are now about to be developed. Ninnian has 1.2 billion barrels of recoverable oil which is about 1/4 of the reserves of all the light oil in Canada.

NM: And what about the Columba field?

JP: Columba is much smaller but will be very profitable.

#072 NM: Ranger Oil and Cedco??? entered into an agreement in 1981 to form a joint venture. What were the reasons for that?

JP: That's the second time we did that. About 12 years ago we had our first joint venture with Cedco and we built the first large semi-submersible drilling rig in Canada, at the Hawker-Sibly yard in Halifax. That worked out so well that we decided to do it again and we are now presently just completing a later, much more modern version of the same type of rig. This is the 714. But we're building it this time at the Hyundai yard in south Korea.

NM: I wanted also to ask you if you could talk about the heavy equipment you are using?

JP: Yes, well, this is a typical example. This drilling rig cost \$120 million U.S. to build and it is the latest in that technology. There will be only 8 rigs of that class in the world, capable of drilling in those depths of water, depths of formation, especially very high pressures and high temperatures and also to carry a very heavy deck load of supplies so that the ship can stay out at sea for a long time in case of bad weather and have adequate supplies. It needs everything, all those things.

NM: Is this equipment made in the States?

JP: Equipment is made worldwide. We're using the maximum amount of Canadian equipment on it. I think maybe 15% of the contents is Canadian, a lot of American, some British, quite a bit Swedish, some Japanese.

NM: So it's completely international.

JP: Yes.

NM: Can you tell me about the stock exchange listing of Ranger?

JP: Ranger has been listed on the following exchanges for many years, the Amex in New York, the London Stock Exchange and the Toronto Stock Exchange. But a year ago last autumn, about a year ago now, the New York Stock Exchange, the big board, came to visit us with an invitation to list. And the Ranger Board of Directors accepted that invitation and we then listed on the big Board.

NM: You made news recently with China. How did you get the idea of doing business with the government of the People's Republic of China?

JP: About 10 years ago I became intrigued with the geologic potential of the large shelf that goes from the Gulf of Pohi on the north to the Gulf of Tonkin near Vietnam, about 2,400 miles away to the south. There was no opportunity during the period of the Gang of Four, to enter any discussions with the Chinese government. But about 6 years ago or so when the Gang of Four were arrested and the present government took over there was then an opportunity for dialogue and discussion. The Chinese government on their side, was very anxious to talk to Canada and to Ranger about possible oil exploration at the same time. So Bill Hopper, the Chairman of Petro Canada and myself went over there. We went over there twice in a short time and then we've been there many times since and our staff has. We expanded the Ranger-Petro Canada partnership to a broader one. Naturally with our close connection with BP in England it was logical that we join with BP so we in effect brought Petro Canada along with us into the BP partnership. And then BP brought BHP, Broken Hill Proprietary from Australia, whom they're in partnership with in a giant project in Australia, joined the group. And then the Brazilian government joined with Bras Petro. So the group is now the 5 of us, it is the 2 of us from Canada, Petro Canada and Ranger, and Australia, Brazil and Great Britain.

#116 NM: So has a contract been signed already?

JP: Oh yes, it was signed last spring.

NM: And when are you going to start the work then?

JP; The first well commences on October 22nd.

NM: That is very historical for Canada.

JP: Very historic, yes.

NM: So how do you feel at Ranger, leading that ???

JP: We're quite excited, we've very excited about it. It could revolutionize world oil supply.

NM: Are you interested also in Chinese culture?

JP: Oh yes, you can't be interested in anything in China without being involved in their history and culture. And their gastronomie.

NM: You're an international business man Mr. Pierce, why did you choose to live in Alberta?

Because you could be living anywhere in the world.

JP: Ranger values its Canadian origins and the fact that we're headquartered here very much. We've been tempted from time to time when onerous Canadian tax and regulations come in to at least flip flop with the U.S. company, to have it the parent but we've always maintained our Canadian headquarters and heredity.

NM: And yourself, you are happy to live here in Alberta?

JP: Yes.

NM: You have seen the ups and downs of the oil patch here, what are your feelings about it?

JP: The cyclical nature of the industry in Alberta is nothing new. It started from the Turner Valley days. A large part of it of course, is self made, either by industry or government or the people. There are other areas in the world where the oil industry has been much more stable. And that's because of much more experienced government and also another very difficult complicating factor in Canada is the duality of ownership and political control. In other words the resource of Alberta is subject to the Alberta government as a direct authority but the ultimate taxing and regulatory authority is of course, federal and they're fighting all the time. That's one of the reasons for the boom and bust. And policy is generally made by amateurs with no knowledge of the business.

#146 NM: So can we talk about the national oil policy, what do you think of it?

JP: There's nothing much to talk about, it's an absolute disaster. It was ill conceived, it was conceived out of greed. The province and the feds are equally to blame and even though they now should know the error of their ways there's been nothing done to ameliorate it, so it makes Canada really non-competitive on the world markets and they've basically lost their window. Because of the National Energy Program they lost the Athabasca tar sand window, they lost the main Cold Lake window and they lost the gas export window and they lost the window of attracting large investment funds for domestic exploration. There aren't any windows left.

NM: So what's going to happen then, how do you foresee the future of the oil and gas industry here in Alberta and in Canada?

JP: Well, what's going to happen, it's going to be in a depression until probably close to the end of this decade.

NM: And then?

JP: And then there might be a slow rejuvenation depending on whether the U.S., at that time, needs more of Alberta's gas or Canada's gas, not just Alberta.

NM: What are your plans for Ranger Oil Ltd. in the near future?

JP: We're going to be very busy for several years, day and night, drilling the many structures we have in China with our partners and drilling the many properties and structures we have in the North Sea with our partners there, which of course, BP is a common denominator.

NM: How do you feel about nationalized companies in Canada?

JP: I think as far as specific company, Petro Canada has been an excellent partner for us in the China project. As far as directly operationally but an entirely different question would be what I think of Petro Canada or a similar nationalized entity. Well, they're extremely

wasteful and very expensive to the country and the public. One could, in today's world oil market, buy an equivalence reserve back of say, the Petro Fina they bought, for 50 cents on the dollar. So need I say more. Look at Canadair and DeHavilland and the dismal financial records of those companies. They squander and waste money which negates the work of thousands or tens of thousand of small businesses and small business men that run careful enterprises, from say, a small shoe repair shop to a farm implement dealer all over the country. All of these favourable black items on the balance sheet are cancelled out in giant amounts by these national disasters. It should be criminal. It should be like some of the Middle East countries where people responsible for such disasters are shot.

#185 NM: Ranger Oil has several subsidiary companies, can we talk about them?

JP: Certainly. Which ones? Just to look at the list, Ranger UK of course, is our wholly owned United Kingdom company, Ranger Oil Company is our very old and well known U.S. company, headquartered in Houston. Ranger Australia is a wholly owned Australia company that operates with another one that we formed there called Pontoon Oil and Minerals, in which we own some 40% interest and they work together on quite large projects in Australia. Kissinger is a company we bought in the States some years ago after the tragic death of the Chairman and his oldest son in a fishing accident where they were both drowned. We have refinanced and reorganized that company. It's owned 50% now by Ranger and 50% by Kool???, another subsidiary that's not mentioned in this list, a company which we formed in Hong Kong some years ago and which is in excellent shape. The minority interest companies aren't shown here. We have several of those. We have another one called Union Jack in England, which has some very fine properties in the UK North Sea.

NM: What are the relations of Ranger Oil with the government, the provincial government and the federal government?

JP: Our relationship with the provincial government is probably the same as all other oil companies, it doesn't exist. In the era of the previous Social Credit government, when Mr. Manning was Premier, they would consult very regularly with industry, listen to everybody and make their decisions accordingly. If they consider these decisions were prejudiced or not in the interests of the province they of course, wouldn't accept them but very often they found they were constructive. There's been no such rapport with the Lougheed government so we have no relations whatsoever with this government.

NM: And what about with the federal government?

JP: With the federal government our relations have been very good, in spite of the NEP. Understand that our relations with the federal government are on the international scene. And where we have been the major Canadian company exploring worldwide and of course, we're in partnership with Petro Canada on the giant projects like China. We've had a lot of excellent help from Mr. Trudeau and Michael Pitfield and other senior cabinet members, they've been extremely helpful and in the present era I have no complaints. Previously, when Jamieson was in External Affairs, we found that he was not even-handed and he was only interested in furthering direct government interest and was very prejudiced against a free enterprise company like Ranger.

#228 NM: What was the most exciting experience in the oil patch for you?

JP: Each discovery is equally exciting. What could be more exciting than finding new wealth from nature, from the ground, that benefits the shareholders, myself of course, the whole corporate entity and the country at large. Every one I guess. I very well remember our Steeville-Cessford discovery, the giant gas field, Joffre, Rainbow and of course, more recently, Ninnian, one in Wyoming, very exciting.

NM: So each time?

JP: Each time. What could be more exciting than to stand there and see oil flow out of a wildcat well where all the science plus luck have come together and there it is.

NM: You have been very lucky too.

JP: Yes.

NM: What was the highlight of your career?

JP: It has to be the Ninnian discovery. It must be the ultimate dream of every exploration geologist to find a major or a giant oil field. In this case it was so much Ranger's doing, combined with BP but it was so much our doing, myself and Mr. Penner, Ranger.

NM: So that was really. . . .

JP: It was a highlight discovering such a giant field.

NM: This is the end of the tape.

Tape 2 Side 2

NM: At the beginning of the interview we talked about your mother's family. Can we talk now about your father's family.

JP: They were early farming pioneers in southern Saskatchewan. There's a little settlement down there called the Pierce Settlement. They came there somewhere in the middle 1800's, from the Baltic, up around Estonia or somewhere up there and proceeded to try and make a living as farmers and ranchers in southern Saskatchewan. They were a large family and each descendant were large families, therefore there's hundreds of Pierce's around now.

NM: Have you kept contact with them?

JP: Yes, we keep quite close contact. For example, when I was in Ottawa a week or so ago to visit with the Chinese foreign minister and Mr. Trudeau, I stayed with my cousin, Sydney Pierce, who is of course, the Honourable S. D. Pierce, OBA, who was in his day, a famous Canadian ambassador all over the world. So we're all very close.

NM: What did your father do, or your grandfather?

JP: Well, they were farmers as I mentioned. And they also became fur traders. They had posts all over the Canadian north, like a miniature Hudson's Bay Company and they did very well and became very wealthy in fur trading in the Canadian north and they had a company in Montreal called Montreal Fur Auction Sales and Pierce Fur Auction Sales. I think they were later sold to the Hudson's Bay Company. then my father also had a military career. He was in the Army as a very young man and was in both World War I and World War II and he was a Staff Captain in the army and was Chief Musketry

Instructor of the 106th Winnipeg Light Infantry and was a very well known Canadian expert marksman as a young officer.

NM: And you did not think of doing like him, to go into the army too?

JP: Well, I did, remember.

NM: Yes, during the war but as a career?

JP: Oh I did, I liked the military very much and probably as an alternative career, I would have stayed in the Air Force.

NM: Yes, of course, flying. Looking back at your career Mr. Pierce, is there anything you would do differently now?

JP: No, nothing I can think of.

NM: That's a good positive attitude then. Thank you very much for this interview.

JP: Thank you.