

PETROLEUM INDUSTRY ORAL HISTORY PROJECT
TRANSCRIPT

INTERVIEWEE: Charlie Schock

INTERVIEWER: Susan Birley

DATE: November 1984

SB: It's November 6th, 1984 and this is Susan Birley, interviewing Charlie Schock in his offices in Esso Plaza. Mr. Schock I wonder if first of all, you could just tell us a bit about where you were born and raised?

CS: I was born August 7th, 1905, at Henryetta, Oklahoma. That was at that time part of the Indian territory. It was made the State of Oklahoma in 1907. My father was elected county treasurer of Okmulgee County in 1907 and moved from Henryetta to Okmulgee where we lived until I went off working in land.

SB: And you said your father had an oil company as well?

CS: Yes, the Indihoma??? Refining Company was the oil company that he started up and had the refinery at the north edge of Okmulgee.

SB: Did he have very much production, or would he own the wells as well?

CS: Yes, there was an integrated company, they had production. You see, Okmulgee County and the neighbouring counties had shallow production before World War I. Oklahoma didn't come really in important production until really, the Seminole field came in, in 1946. But no, I'm sorry, it wasn't 1946, it was about 19. . . I'd have to think back, about 1936 I think was when they found Seminole. That's when I started buying minerals.

SB: So before that it was just supplying the local community was it, with gas or oil?

CS: Yes. I better go back further though. We got married in January 1929 and it was about 1925 that the Seminole field came in, farther back than I thought. By tying it into our wedding I can remember because I went to Seminole before we got married and I was buying minerals and things then.

SB: So you'd sort of grown up in the oil business then?

CS: That's all I've ever known.

SB: And how many brothers and sisters did you have?

CS: I had 2 sisters, one died right after she was born of pneumonia. My other sister grew up and had a family and I had 3 brothers. My oldest brother was James Schock, the next one was W. O. or Bill Schock and the next one was David Schock and then my name. There were 4 boys and we were all in the oil business one way or another.

SB: Was there that much else to do around Okmulgee? Was everybody involved in the oil business around there?

CS: It was some farming and refining. There were 3 refineries there, one south of town was moved to Corpus Christi and then moved from there up to Alaska and then moved to Edmonton. It started in our home town and that's the Imperial refinery at Edmonton now.

#049 SB: So it was also part of the Canol project when it. . .?

CS: Yes.

SB: Did you ever work on any of the rigs while you were growing up or anything like that?

CS: In 1926 I got a job with Shell Oil on what they called an elevation party. The head of the party was an engineer, surveyor and I was what they called the rodman. I had to take the rod and go over to the derrick or hole, wellhead, and hold the rod up while the engineer took the elevation. That was for Shell Oil.

SB: Where had you gone to school?

CS: Well, I went to school at Okmulgee until my junior year, my mother entered me into the Horace Mann School for Boys in New York City, which is a branch of teacher's college. So I graduated there in June 1924. That fall I went to Westland University at Middletown, Connecticut for 2 years. By then, the family were fairly hard up and so I quit and went back to Okmulgee and worked for Shell for 9 months. All the people that I sort of associated with around Okmulgee were in the oil business and buying leases and minerals and so forth. So I talked my brother, who lived in St. Louis and had a fuel oil brokerage firm and was selling fuel by the train load lots, doing very well. So I told him what some of his friends in Okmulgee were doing and he said, let's try it, he said, I'll put up the money. So I went out to western Oklahoma and started buying leases and half the minerals from these farmers for \$2 an acre. It seemed cheap but it wasn't really cheap because the farmer had bought the land for \$1 an acre and he was getting his money back and still had the farm. But it turned out very well for us because we got about 12 different wells out in western Oklahoma, gas wells as a result of it.

SB: You mentioned that your father's oil company, well, he lost it. . . ?

CS: Yes, he went into receivership in 1926 I believe. No, it was before that, it was 1922. I'm getting too old to remember all these dates, you'll have to help me.

SB: Was there a sort of minor depression then or what had happened?

CS: Well yes, the catch was that the oil business had really boomed during World War I you see, 1917, my father was \$1 a year man for the government and was in charge of getting the oil for the war most of this time in Washington and arranging crude oil and products for the army. He was really quite important in World War I.

SB: And then after that I guess, demand fell off for oil did it?

CS: Yes. He kept expanding and after the war was over there was sort of a recession so he got over extended. The main catch was that he contracted to buy a refinery at Bayonne, New Jersey and pay about \$200,000 a month and the bottom went out of the oil, gasoline market and things and he lost there and that's what broke him.

#099 SB: That would have been quite a pile of money, even in that time.

CS: I'll say. But it was an important refinery, it's one of the biggest refineries in the United States today, out on the east coast. Standard of New Jersey operate it now.

SB: So you decided to go into, was that what you would call lease brokering?

CS: Yes. My friends showed me what a mineral deed looked like and also how to check the county records, to get ownership. The important thing was that when you found somebody that would sell the lease and half the minerals, to check the records, be sure they owned it. The county records, land records. And so I learned to do that. I got along

pretty good, my brother backed me and carried me for an interest in the profits. So then, in 1930, we'd gotten married in January 1929 and in 1930 a friend of mine had organized a right-of-way deal for Gulf Oil from Tulsa, Oklahoma clear across to Toledo, Ohio. He hired 8 of us to go up and buy the minerals from the Mississippi River, clear to Toledo, not to buy the minerals but the right-of-way. Sorry, I got that mixed up. So there were 5 of us working across there and we spent the whole summer and we got almost every tract that we needed or wanted and had made good money. But in the meantime everybody at home had gone into a Depression and when we got back there just wasn't anything to do. Nobody was buying minerals and so I tried to figure out what to do. I finally got pretty hard up so I talked my brother into getting me some work at the railroad and I was the freight solicitor and bookkeeper.

SB: Was that the . . . ?

CS: Okmulgee Northern.

SB: Oh yes, and did he own part of it?

CS: He owned 1/3 of it, didn't I tell you earlier?

SB: Oh, that's the same one as Shortland Railroad.

CS: Yes, it was only 8 miles long. It was the same railroad but you see, it had good income because the Phillips Petroleum, who had taken over my father's refinery when he lost it, owned 2/3 and they put all of their products on the Shortline Railroad and the originating line and the delivering line get the biggest part of the freight revenue. So while it was only hauling it 8 miles, it was getting about 1/3 of the revenue. So it was a little gold mine.

SB: Did you see much of the Phillips people?

CS: No, they didn't even come near, they had hired the manager of the railroad and he took care of the contacts with Phillips. My brother of course, was a prominent fuel oil broker there in St. Louis and did a lot of business with Phillips Petroleum, brokering their fuel oil.

SB: Were they one of the major operators at that time, Phillips?

CS: Yes. There were 3 of the Phillips people that had different refineries and oil companies. This particular one was operated out of Bartlesville, Oklahoma. There were 4 of the Phillips boys and they all operated either together or different companies.

#153 SB: So when was the major discovery made in Oklahoma City?

CS: That was December . . . I want to say '28 but I believe it was '29.

SB: Oh yes, I had '30, well that might not have been the discovery.

CS: That's when they drilled the ??? was January 1930. It came in, people knew that they had a good core and a good test in, I think, '29, it was either '28 or, I'm pretty sure it was '29 and 1930 is when they developed it. They even drilled town lots in Oklahoma City and it made a lot of business. My brother and I got a structure map from a company and there was a structure very similar to Oklahoma City just 12 miles north at Edmond, Oklahoma, so we went up there and bought leases and minerals. But it was 20 years before it got developed.

SB: The one in Oklahoma City, was it called the Wild Mary Sudik???

- CS: Well, the Mary Sudik was a later well, that wasn't the discovery well. But the Mary Sudik got away from them and flowed oil and burned for days, oh, it was a terrific show.
- SB: Who was it named after, do you know?
- CS: Well, that's the land owner, Mary Sudik was the land owner on which the well was found.
- SB: I understand they had a little trouble at first, getting permission to drill in the city limits. Do you remember anything about that?
- CS: Well, a lot of people traded on minerals under the town lots and things and finally they got permission from the state government to unitize the things and make drill sites and then they drilled right all over town. And there's 2 or 3 wells still producing in front of the capital building and also the governor's mansion.
- SB: So they're really surrounded by it.
- CS: That's right.
- SB: Did you need very much capital to get started in lease brokering at that time?
- CS: No. I had a Ford coupe and things weren't as expensive then as they are now, you know, gasoline was very reasonable and I just, each county had its own records you see and if you wanted to do trading in a certain county you would go to the county seat and search the records for the area that you wanted to find. There were lots of bootleg maps and structure maps and things you know, and we just sort of followed the trend of where everybody else was buying and got a few tracts which, fortunately produced, mostly gas but good revenue.
- SB: I guess at that time nobody shared their information like they do now. When they drilled a well they just kept the information about it to themselves, did they?
- CS: Not necessarily. I think the companies cooperated pretty well. We didn't pay much attention to whether they got a producer or not because what we were buying was so far from any development at Oklahoma City you see, we were buying clear out to the Texas panhandle.
- #205 SB: So you'd just look for, if there was some interest in an area then, you'd also go in there and buy up stock or. . .?
- CS: That's right. Well, the leasing half the minerals was a common deal down there. The farmer had homesteaded it or bought it at an estate sale you see, for probably \$1 or \$2 an acre, land was very cheap. Because there was nobody out there, living out there. They started moving in and settling and if they'd bought the land for \$1 or \$2 an acre and we offered them \$2 an acre for half the minerals and they didn't even know what a half mineral meant really, because it wasn't affecting their farming. They were glad to get their money back and go buy another farm.
- SB: So in most cases it was easy getting leases from them?
- CS: Very, yes, it was.
- SB: So when you were buying the right-of-way for Gulf, that was the start of a pipeline of theirs was it?
- CS: Yes, Gulf was building a pipeline from Tulsa, Oklahoma clear to Toledo. We had, I say the central section was from the Mississippi River to Toledo and also branched down to

Cincinnati. But we booked all the right-of-way into that 4 months. But there were 5 of us and we were pretty good, we'd had a lot of experience in dealing with farmers and things by then, we were all ex-landmen.

SB: And you said that was a significant pipeline, it was one of the first. . . ?

CS: It was the first crude moving out of Oklahoma clear into those refineries back there you see. Those refineries back there were getting a little oil from Ohio and West Virginia, Pennsylvania but not enough to take care of the new markets for gasoline and so forth. You know, the country was just beginning to expand and automobiles and so forth.

SB: I guess Gulf had a lot of production then in Oklahoma did it?

CS: Not only production, then they also had some refineries, I don't just remember where they were, in the east though, that they wanted to get oil to. It was an important pipeline, still is as a matter of fact.

SB: So when the Depression hit full force I guess, a lot of people were really badly affected by it, a lot of people were left with no jobs or anything else, around that area.

CS: Oh yes, it was pretty cruel.

SB: Did drilling shut right down as well?

CS: Practically, because the companies didn't have any money either you know. Things didn't pick up really until the start of the World War II.

#253 SB: Oh yes, you mentioned the Edmond field, you bought land up near Edmond did you say, up north of Oklahoma City?

CS: Yes, just 12 miles north of Oklahoma City is a town called Edmond, Oklahoma. It had a similar structure on the surface that the Oklahoma City well was drilled on. You see, they didn't have any subsurface structures at that time, now holes had gone deep enough to get a marker. But this surface structure, it was an interesting thing in that where the Garber sandstone came up through the Hennessy shale, which most of the farmland was shale, a structure would push the Garber sandstone up through the shale and that was the kind of structures that the Indian Territory Illuminating Oil Company was drilling on there in Oklahoma City. The story is that the blackjack oak trees in eastern Oklahoma won't grown on anything except sandstone and wherever you see a clump of oak trees, you know that the Garber sandstone has bunched up through the Hennessy shale and it means that there's a structure there. That's pretty simple geology. And that's what we found, was this surface sandstone at Edmond, up through and full of blackjacks. That's a funny thing, that it started development in the early 30's but it didn't get over to our tracts, I think 3 of them were producing in the 30's, late 30's. But just in the last 2 years a section that I bought minerals under has come into production, some awfully good production.

SB: So it pays to be patient.

CS: That's why minerals are a good investment because you've got them as long as you have the deed.

SB: And there was a west Edmond field, was that part of the same structure that you were in there?

CS: That's what I'm talking about. That's the field that was developed as a result of this trend. But the tracts that we bought on were on the west side and the people that had the

production on the east side were not anxious to unitize with this west side stuff because it would cut down their percentage you see. So for years they sat there and produced this fairly shallow production and we sat over and watched them. But we finally got it. They drilled some on some of our close in tracts but the better ones were a little further to the west. Unfortunately my brother had made a deal with Gulf Oil to drill a well about 2 miles west of the production and it was dry according to Gulf. Now they've got production offsetting it. And we've got some of the minerals under the tracts that were not developed for almost 30 years.

#320 SB: I guess later on then, there was a boom in Illinois, was that around that time as well?

CS: I'm trying to think, I of course, knew about the Illinois area because that's where we bought out pipeline right-of-ways you see, and I mean, I was well versed in how to operate in Illinois. My brother, the Gulf Oil had my brother who lived in Tulsa where Gulf's office was, had him go up there and take a block, called the town Dixon in Illinois. Actually Gulf took 5 different blocks, my brother was only in on one. And they drilled it and got a nice shallow well. So that's when the boom started in Illinois.

SB: So then everybody was heading there to buy leases?

CS: Yes, and minerals.

SB: You had an assignment with Seaboard Oil, was that in Illinois as well?

CS: That was in Illinois, north central eastern Illinois, if that means anything to you. A friend of mine from Okmulgee, who had moved to Texas, got an assignment to buy areas for the Seaboard Oil and he gave me an area to pick up leases. I was to get, I'm trying to think whether it was 25 cents an acre or 15 cents, I think it was 15 cents an acre, I can't really remember now. But I worked out there for 6 weeks and made \$1,600 and that was the first money I'd had during the Depression.

End of tape.

Tape 1 Side 2

SB: I guess your next stop was in Indiana, there was some production there.

CS: Yes, along the Illinois-Indiana boundary they found some nice little fields there. We all sort of headquartered over at Evansville, Indiana and I was there buying for Seaboard and for Superior Oil. Superior finally talked me into taking a job as a title ???, the attorney's would examine and write up these requirements and then we'd have to go out and get what deeds or whatever was required. Proof of ownership and so forth. So I worked there for about a year. After I'd gone to Illinois and done their work for Seaboard you see and got on with them.

SB: Did they have an office out there, Superior?

CS: At Evansville, yes. So then Staniland in Tulsa, some of the officials were good friends with my brother who had lived in Tulsa and they wanted to hire him to go to Midland, Texas for them. He said he didn't think he'd do it but he thought maybe I would. So they hired me and that's how I got on with Staniland Oil and Gas, as a landman.

- SB: Did you know the Keck's at all, did you ever meet the Keck's while you were with Superior, the Keck family, did you meet them? Or they didn't come out there at all?
- CS: They stayed in Houston and California. We knew about them of course, they were the last word, if it didn't suit the Keck's you didn't get it. They were good oil operators though. The senior Keck, I don't know if you ever heard this story or not but he was a drilled and his roughnecks, he and 4 roughnecks started Superior Oil and made millions out of it.
- SB: They knew what they were doing.
- CS: The roughnecks were all Vice-Presidents and senior Keck was the President. Then I think he either died or retired, but one of his sons took over as head of it and he was head of it when I was working for them. And the other. . .
- SB: Was that Howard or Bill?
- CS: I can't remember which one it, one or the other. They rarely ever came to Evansville, he sort of stayed in Houston instead of California and operated out of Houston. But it was a going concern and very, very successful. But they made you work, boy, you worked there or you didn't stay around. But that was all right, it was good for us.

#043 SB: And at Staniland, do you remember any of the people that were in charge at that time, when you first joined them?

- CS: I'm trying to think, Bill Grounds was there and Mac. . . I can't think of his name right now. Anyhow Bill Grounds was moved in as assistant district landman and I took his place in the field. They wanted to get some big ranches in the area, real wildcat and they sent me down there and I got, about a million acres on these ranches in about 6 weeks time. I really spent more money than they intended but I got a lot of land for them. So then they brought me in and moved Bill Grounds to a district office in east Texas and gave me the assistant district landman's work. I'm trying to think, I think it was around Christmas time, they moved me to Amarillo, Texas and made me the district landman. I was there for a couple of years and it wasn't too active and Mississippi opened up so they had me go down and reopen their district office at Jackson, Mississippi. While I was there we were buying over in Florida too and they had me move over there and open an office and then the fellow that took my place at Jackson had a car accident and they had me move back to Jackson. Then they moved me into Oklahoma City as division landman.
- SB: So you were back where you started from?
- CS: Yes, in Oklahoma. And then, just before Christmas, after Leduc came in, they decided they wanted to come up here and see whether there was any chance of breaking into this play. So they sent a geologist and had me go along to look into the land situation.
- SB: Do you remember who the geologist was then?
- CS: Dick Hill. But the end of that story is when we got on the plane to go back to Oklahoma City he said, Charlie I'm not coming up here. I said, well, we've got to go over to Tulsa and tell them. So we went over there after Christmas and they said, well, it's a land play anyhow so we'll just let Charlie go up and be the manager. That's how I. . . I was the only landman in the history of the company that was a division manager. All the others were geologists.
- SB: Oh right. I guess at that time most companies were involved in exploration so they'd have

a geologist. . .

CS: Sort of running things, that's right.

SB: I have some names here of people that were in the record in 1949. I don't know if . . .there was E. J. Hughes.

CS: Eugene Hughes was the bookkeeper they sent up. He handled the books, kept the records and paid the salaries. Al Winsler was the division geologist, do you got his name?

SB: Yes.

CS: And Ross Craig was his assistant, is that name there?

SB: No, I didn't have that one. I had F. Bellue???

CS: Bellue, he was a production man. He looked after the wildcats that we drilled.

SB: W. A. Matthews.

CS: Yes, he was the seismologist. What other name have you got?

SB: Those are the only ones I have. Oh no, I have some others.

CS: Willard Longshore was the division landman.

SB: And then you mentioned that you got some geologists from the University of Alberta too.

CS: Yes. 5 of them, Hugh Baker was one of them, I named most of them the other day.

SB: Yes, John Rudolph.

CS: Yes, Rudolph was one.

SB: Bruce Bailey.

CS: Bruce Bailey was one.

SB: And Murray Shier.

CS: Yes, Murray Shiers.

#096 SB: Oh yes, Shiers. So I guess, what was your first objective when you came to Alberta, did you have any plays in mind then?

CS: No, the geologists just went out and bummed information and trends and things, and got logs together and made trend maps like that and we just decided, well, this looks like it might be good and we started picking up leases there. So that's how we drilled the well at Lac La Biche, we had a reservation there you see. We had another reservation at Ellscott and another reservation at Barrhead. It was easy, we just picked up, the land department would get these reservations you see and of course, you could convert half of it into leases.

SB: So you'd farm it out?

CS: No, we drilled it. We'd get 100,000 acres on a drill site. Pretty good.

SB: I was just going to ask you about the Petroleum Club. You were one of the founding members of that.

CS: Yes, I helped organize that. All 5 of our department heads, I got them memberships of course. There was something else I was going to tell you about. Oh, the Oilman's Golf Tournament, I was one of the original sponsors of that. They still do that.

SB: With the Petroleum Club, it started up in about 1949 I guess, did it?

CS: Yes. We leased the penthouse at the Palliser Hotel and the government wouldn't give us a liquor permit there so we made a merger with the Renfrew Club and they had the second floor of an automobile supply building over on 6th I believe. So we merged with them and

they changed the name to the Petroleum Club. But we got a lot of business people as a result of that, that were not Petroleum Club types. But it worked out very well. I dropped out after I left the company, as far as the director's or management part of it. But they've built the building and everything and they're very successful.

SB: I guess they played a role in getting the whole industry going, did it?

CS: It was sort of a meeting place for discussing general terms, conditions that were going on. Yes, it was helpful, no doubt about it.

SB: I guess a lot of the people that were on the executive were major players in most of the industry too.

CS: Well, almost every name on there. . .

SB: If you wanted to have a look at the list of the officers. . .

CS: Yes, Jack Bevell was head of Gulf and Heard was head of a foothills company, I can't think of the name of it right now. Frank McMahan was the head of Pacific, R. C. Brown was head of some company here, I can't remember the name, Shreve, I'm not sure what company he was with, T. W. G. Thompson was with . . . Then Tom Brooks had a company, R. C. Brown was head of a company, Cheshire had a company, C. C. Cross had a company, J. L. Galloway was head of the Hudson Bay, no, why can't I think of that, Cal Standard, J. L. Galloway was Cal Standard. Heard was the same fellow I mentioned up there, he I want to say Texas Company but it was a foothills company, I mean they were mainly there. McMahan was of course, had Pacific, Nickle had the Scout Report. Marsh Porter was a lawyer here and I was with Staniland and Spratt was . . . I can't think of the name of his company.

#157 SB: Was it Anglo Canadian?

CS: Yes, Anglo Canadian, that's correct. Does that help you any?

SB: Yes. So when you were with Staniland did you have much direction from the parent company?

CS: Oh yes, they would come up about once a month and go over what we were doing and what we wanted to do. We had to submit a budget you see, and I'd take it down to Tulsa. Every division would come in with their budget every three months and we had some really hot arguments. I was trying to get more money for up here and other divisions were trying to keep the money that they had coming in. But it all worked out. The company was well managed, very able, loyal people.

SB: Did you have much trouble coming in to Canada, as an American citizen? Were there any stipulations that the Canadian government put on, like as far as taxes or your employment status or anything?

CS: I don't know of anything. They never even talked to me about status or anything else as I remember. No, I don't think there was any restrictions at all, I don't remember of any kind of questioning, or why we were here or anything else.

SB: Did they say anything about having to hire Canadians or anything like that?

CS: No, we didn't have any orders about that. We tried to hire Canadians, we hired these 5 boys who were graduates of geology that spring at Edmonton and we were glad to get them and they were able people.

- SB: I guess there weren't that many trained people that were Canadians at that time, they hadn't been in the industry very long.
- CS: No. And of course, all the companies were trying to get the ones that did know something about the oil business. The Canadians though, were pretty alert, they didn't miss much. They were competitive. And pleasant to do business with really, it's been a joy to be in Canada.
- SB: Was there any trouble getting supplies when you first came up, do you remember?
- CS: Not particularly. The oil industry, on account of Turner Valley you see, had quite a few rotary rigs and things. We brought in from the States, I want to say 3 rigs but I think only 2. One of them we put up at Lac La Biche and that's where it cratered and we lost the rig and everything.
- SB: You had a kind of partnership with Imperial too did you, on the Barrhead well?
- CS: Oh yes. Imperial agreed to pay half the cost of the thing. When we got down we . . . I don't have that map here, to the zone ??? it looked like saturation, Imperial didn't think it would justify completing and they didn't want to pay half the cost of testing it. But I had put in the contract that if the Conservation Board demanded that we test it, they would have to participate. So I went over to Red Goodall, he was head of the Conservation Board here at that time, and I took the core along and I said, Red, look at this core now, do you think it will produce. He said, it's sure got oil in it and I said, will you order us to test it. He said, yes, I'll give you an order to test it. And so that made Imperial pay half the testing. The company gave me a big raise as a result, they thought I'd put something over on Imperial. We collected \$25,000 from them that they weren't going to pay.
- #218 SB: Had they put up their dry hole money at that time?
- CS: It wasn't dry hole money, it was just their part of the cost of drilling the well and the testing, they didn't want to test it because they didn't think it would pay out and it didn't, they were right of course. But we were so anxious to get some production and make a showing that we wanted to test anything that smelled.
- SB: You were just telling me about a play that you made in '57.
- CS: Yes. This is the discovery well at the Innisfail field. I'd gotten information from Superior California landman that they thought it had a chance to produce. So when I heard that they were testing it I got out and bought minerals there and down here and it's been very productive.
- SB: Is that the name of the person who had the lease, somebody Smith, or was that just. . .?
- CS: I'm pretty sure that's the land owner. This was the name of the unit over there, Hilltop. I've got 4 different checks.
- SB: So it was a worthwhile investment. When there was a gas well, oh. . .
- CS: I was going to show you. I just brought this in case you wanted to know something. . .
- SB: I guess with Staniland there was another well west of Edmonton that you got involved in, a wildcat well that you got Staniland to drill.
- CS: That's Barrhead.
- SB: Oh, that was Barrhead.
- CS: Yes, and Lac La Biche. The two wells, while I was with them we made 2 discoveries and

neither one of the paid off. The important thing that we did while I was there, we got together with Hudson's Bay and Petrofina and took reservations on 800,000 acres in the Windfall area. And that's their best production today is in the Windfall. But in writing it up in the company, they give Galloway credit for it but we leased it before Galloway even knew where Calgary was. But that didn't make any difference.

SB: So you were trying most of the areas in the north as well, there were a lot of companies going up there and drilling wildcats in the hopes that they would find something.

CS: That's right. Alberta got a terrific play all over and Saskatchewan too but we were a little leery of the Saskatchewan government. It was, we thought, communistic and I think it really was. So we stayed out of Saskatchewan, didn't take on any reservations over there at all.

#272 SB: But the deal with Hudson's Bay and Petrofina paid off pretty well, pretty substantially I guess. Not while you were with them I guess but later on.

CS: I can't remember what we're talking about.

SB: Well, I had down the Windfall area.

CS: Oh, they got their best production, the best production in Alberta is in that Windfall area.

SB: And you were mentioning before that Petrofina didn't really want to get involved that much.

CS: No, they took a third to start with and we were all getting together to make a budget to seismic the area and they decided that it would be a little too expensive, I mean, take too much of their budget. So they cut their interest down from 1/3 to 1/6, which gave then, Hudson Bay took 1/2 of their sixth that they didn't keep and we took the other half, which gave Hudson's Bay and Staniland a bigger percentage of the discoveries and everything. But it still put Petrofina on the map. It was a very important discovery for everybody.

SB: And in April of '52, John Galloway came up then, did he?

CS: That's right. They sent him up, he was a district geologist at Oklahoma City and they thought that this play was getting to be more geology than land. So they wanted me to go down to Houston, Texas as division landman and Galloway took over as division manager here. I had been to Houston many times and I decided there were some good opportunities here and I just quit. Because in the company, they had a retirement program that you contributed and the company contributed and you had to be in it a year before you were eligible. Then if you were in it 10 years after that, it froze the companies contribution as well as yours if you wanted to retire or resign. So I worked for them for 11 years and 1 day. I got one year in and then the 10 years to control their part. Then I cashed it in and bought these minerals that I just showed you. And I got a lot better income than I would have had from the retirement program.

SB: So I guess you kept in touch with a lot of landmen that you knew from the other companies did you?

CS: Oh yes, we were all good friends. We'd have parties together and things like that. Calgary has been a very compatible area to work in really. I got a lot of help from Superior California and Grant Spratt and different ones, oh yes, they've all been good to me.

End of tape.

Tape 2 Side 1

SB: . . .interview with Charlie Schock. I wonder Mr. Schock if today we could discuss what your activities were once you decided to go as an independent. Was it very easy finding enough to do as an independent in 1952.

CS: Oh yes, there was quite a bit of wildcat drilling and also development of some of the early discoveries. I had made arrangements with a new company called Canadian Pipe that appointed me their President and Canadian Superior had 3 farm outs they wanted to get tested and Canadian Pipe had raised some money in New York. So we made a deal with them to drill 3 offsets in the Daily field of Manitoba, that were small wells and the first 2 of our wells were light wells too, under 10 barrels a day but the 3rd well we drilled was a good well, made over 200 barrels a day. That really started, put Canadian Pipe on the map. The oil at that Daily field was being trucked to the Inter Provincial line about 8 miles south of the Daily field. So Canadian Pipe sponsored a pipeline to gather the oil and deliver it down there. That's a deal that Paul Boland took over and made a lot of money on, on the stock.

SB: How was Canadian Pipe formed, was it a . . .?

CS: It was just a company organized in New York. Really it was kind of undercover, sponsored by Pacific Petroleum and the McMahon's that was one way they had of raising money was to start a new company and sell stock.

SB: So did you have much dealing directly with the McMahon's?

CS: None at all, just as personal friends is all. No, they didn't interfere in the operation of the company or anything like that.

SB: And Buzz Finley, he was with Canadian Superior at that time?

CS: No, Buzz Finley was a local stock promoter and he had gotten in with John Mayberry, who had been the land manager for Pacific Petroleum. And they started 2 companies, Canadian Pipe and another company, I can't think of the name of it. But John Mayberry took charge of that company and they made me President of Canadian Pipe. Canadian Pipe had about \$250,000 in the treasury when I took over and we took on these farm outs from Canadian Superior. One of the requirements on a test northwest of Calgary here required a deposit of \$25,000. Canadian Pipe objected to that and that's when we had a falling out and I left them. Another group took over that farm out and got a big gas distillate discovery, northwest of Calgary, I can't think of the name of the field but it was vital. But Canadian Pipe did very well in the Manitoba area and was very successful with their production there and got some nice wells.

#045 SB: Was it primarily a pipeline company or was that just. . .?

CS: No, no, they had been in big promotion of the Inter Provincial Pipeline and the name pipeline sort of appealed to stock people so these people in New York just called this company Canadian Pipe. It didn't have anything to do with a pipeline at all. If they'd

gone ahead and financed the pipeline that I had started down there they would have justified their name but it didn't make any difference.

SB: So they never did put the pipeline on stream then?

CS: Oh yes, the pipeline was completed by Paul Bowlen, the drilling contractor. He could see the value of it and oh, he made a fortune out of it. But it was a necessity. If we hadn't done it Cal Standard would have done it because they were the ones who opened the field and they were pushing us to complete it.

SB: So you would have been able to get revenue from all the other producers in the field I guess.

CS: By handling their oil, to the main pipeline, Inter Provincial line, which went across and into the States you know.

SB: So I guess, did you know very much about the background of Pacific at that time, had they really made it in 1952?

CS: Oh yes. That wild well put them on the map and they never looked back after that, they kept getting nice production and nice deals. They were a going concern and well thought of in New York.

SB: I guess there were a lot of companies at that time that were starting up doing promotions but not that many that succeeded like they did.

CS: No, no.

SB: Was it Rimbey, was that the field that you were thinking of?

CS: I'm not sure, can we turn this off a minute?

SB: Yes. We were just checking the name of the field, it was in the Rimbey field that this farm out with Canadian Superior was.

CS: Yes, and it made the discovery of gas distillate, that's one of the best fields in Alberta now. It would have been terrific for Canadian Pipe if they'd gone ahead and drilled it but they were afraid they were going to run out of money. And the Pacific group wanted to sort of keep what they did have, helping them. So it was one of those things that didn't work out.

SB: I guess at that time gas wasn't that much of a target either, was it?

CS: No, there wasn't the demand, I mean the market for it that came later. So that's when Canadian Pipe and I fell out. But I had been lucky enough to personally buy some minerals in the Daily field and also, at the edge of the town of Virden and they produced and are still producing very well. That's one of the reasons I stayed in Canada.

SB: So after that did you go back to being an independent?

CS: Yes, I went with Baron Kidd, who's a friend of mine, I don't know if I've mentioned him before but he's an oil operator out of Dallas, Texas. I'd known him in Illinois and Indiana, and he wanted me to help him get some government reservations up in the tar sands area and I got 4 of them for him. He was very pleased with that and he asked me to go down to Ohio and help him, there were some new discoveries around Columbus, Ohio and he wanted to get in the play. So I went down there, I thought I'd just be there a month and I was there 12 months. We drilled 10 dry holes. So that was the end of that. In the meantime, my minerals in western Oklahoma had started producing and my Illinois property had produced and then the royalties up here in Manitoba and Innisfail that I

bought all started producing. So I sort of took it easy from then on, didn't try to do too much.

- #095 SB: With this Baron Kidd, what was his interest in the oil sands, did he see it as something that would develop?
- CS: Oh yes, he's got a good deal up there yet. I'm sure Baron personally died about 6 months ago but his group still have their reservation up there and no doubt will develop tar sands eventually. But that's a pretty far fetched thing right now.
- SB: You mentioned before that you were involved with the formation of the Landman's Association.
- CS: Yes, I helped sponsor. . . I had been a member of the Landman's Association in Oklahoma City and Rex Dawson was from the States, he was division landman for Imperial and a good friend of mine. Other company landmen decided to organize the Landman's Association and I sponsored it as far as our company was concerned, I had our landmen in it, Tom Hewitt and another boy, I can't think of his name right now.
- SB: Was there a lot of competition before that, between landmen from different companies?
- CS: There's always been competition between landmen. You just try to get the deal ahead of somebody else and it is very competitive work.
- SB: Do you remember encountering any real obstacles or any unpleasant situations or anything like that?
- CS: No, we didn't have, it was all friendly. I mean if you got what you wanted why, it was a good deal and if you didn't, you didn't, you just looked for another one. But the important thing as far as Staniland was concerned when I was still with them was the taking of the Windfall reservations with Hudson's Bay and Petrofina. I may have told about that already.
- SB: Yes, I think you mentioned that.
- CS: That was the most important deal that I made for Staniland.
- SB: And when you organized the Landman's Association, what were the objectives of it, do you remember?
- CS: Just to have meetings, and mostly, trade off information, get acquainted. I guess they're still active, I'm not sure, I haven't been a member for a long time.
- SB: But the kind of information you'd trade would be about plays that were starting to develop in an area or. . .?
- CS: Had been completed. Companies would then let the other landmen know that they had a presence. It was kind of a mutual help deal. Like the Geological Society and so forth, same idea.
- SB: So in the 50's, you were still more or less doing deals for people, in 1955, and that mid 50's. Did you see the oil industry changing a lot during that time?
- CS: Oh yes. I didn't try to promote anymore in Canada because I had these producing minerals and I had enough to survive on. I was more interested in seeing development of my areas in western Oklahoma that my brother and I had leased, bought leases and half the minerals back in 1928. I had bought some minerals in Mississippi, I've been lucky, very lucky.

SB: Was there any changes that you saw in the Canadian oil industry that made a big difference in helping it progress or anything like that?

CS: I think the marketing, getting the crude oil to the east and the Inter Provincial Pipeline I think, was the one that was promoted and put through. It was more or less sponsored by the Standard Oil of New Jersey, through Imperial. It made a big difference in the development out here when they had an outlet like that. And then also, Trans Mountain build a line to the west coast from the Edmonton area and that was a big help to the industry. It sort of inspired them to, it showed that there was a demand for the products and it sort of helped the companies to get finances to develop and it was very important, the 2 pipelines.

#156 SB: Did any of the petroleum associations that you were involved with play a part in trying to develop pipelines or marketing?

CS: No, I didn't ever get active in sponsoring a pipeline or anything. I just hoped they'd build them.

SB: Did you ever belong to either CPA or IPAC during that time?

CS: I don't. . . ?

SB: Canadian Petroleum Association or. . .

CS: Oh yes, I was a member of that. That's when I was with the company, I represented the company in that association. I can't think of any other groups that I was active in. It's been a long time ago and it's so hard to remember minor things of that nature.

SB: When you were with the Canadian Petroleum Association, what were their major concerns then, were they trying to get markets or. . . ?

CS: Mainly finding outlets for the crude. And also getting rigs in, there was a shortage of drilling rigs. We brought up from the States, 4 drilling rigs because we couldn't get any up here. The one that Eason??? brought in, we had it at Lac La Biche and we got that gas so much higher than they expected it, we didn't have anything but just surface pipe in the hole. The thing blew out and cratered and we lost the whole rig. I may have told you that.

SB: At that time what would a rig have cost?

CS: I think this was probably \$150,000 we had to pay for it, as I remember. It was something like that, pretty high for what, it was just a light rig. Because we were only planning on going about 1,200'.

SB: Was there a shortage of surface casing or casing as well?

CS: I don't ever remember there being any shortage of pipe. At least we didn't have any trouble getting it and I don't remember any shortage of products or pipe. There was a good supply of mud. Of course, the Leduc field had been in almost a year when we came up and they had. . . Turner Valley of course, had made this an oil country because it had been in for a long time and there was drilling and production and marketing and everything else was well developed as a result of the Turner Valley. And also the development from here east to the border, there were a lot of small fields found out in there that you rarely ever heard about. But they were productive and made some money for the fellows that promoted them.

SB: Do you remember in the early years, with the Petroleum Club, we mentioned some of the

people that were involved the other day, do you remember Eddie Laborde?

CS: Oh yes, Eddie was a good friend of mine. We had a goose hunt, I think he said he told you about it.

SB: Oh, he might have told Nadine.

CS: Yes, up, way up northwest. Cec Cheshire was in on it and Laborde and John Davidson. We had a good hunt up there, got a lot of geese. We just landed out in the prairie, this plane and walked over to the water's edge and started shooting. It was a big deal.

#212 SB: I guess Calgary was a good place for sportsmen in those days.

CS: Oh yes, there were a lot of fine gentlemen here. Really pleasant to live around Calgary in those days.

SB: And Carl Nickle, you. . .

CS: Oh yes, Carl was a good friend of mine. His office was in the building, Pacific Petroleum, it was difficult to get good office space here so they built a building that's since been torn down. It was on the street that the Palliser is on, just a block west of there. We leased one floor of it, we had first had an office on 8th Avenue West and then we took over the upper floor of, I can't think of the name. . .it was a dry goods company on the first floor, next to . . .Eaton's, east of Eaton's on the corner, we leased the upper floor there. And that wasn't big enough for us so the Pacific group build this office building over on 9th Avenue, just a block west of the Palliser Hotel. We leased a floor there and we were still in that building when I left them. I don't know just what they developed and moved on up into more space later but I didn't follow it.

SB: I guess the Petroleum Club, did it ever play any role in trying to lobby government or anything like that, or was it more just a social. . .?

CS: It was a social thing but we were always fussing with the government on getting a liquor permit. We had, I may have told you all this already.

SB: I know you mentioned the beginnings of it and joining the Renfrew Club.

CS: Yes, well, that was all I was going to follow up on it. But the Renfrew Club had a liquor permit so it made a good merger for us. They were over a motor car supply, in the top floor of a building there.

SB: And I guess over the years, being a member of the Petroleum Club helps you out in keeping in touch with what's going on in the industry.

CS: Oh yes, almost every lunch you'd see somebody that had some news. It was ideal to keep up with the developments. It was a very compatible group of people, it was a new area and everybody was sort of willing to help the other person, get them straightened out.

SB: What about some of the companies that were starting up in the 50's, like say Dome Petroleum that's become a. . .?

CS: Oh yes. Jack Gallagher had been with Imperial and I got acquainted with him. He'd been to the Harvard Advanced School of Business, Esso had sent him there and then they sent him to Calgary as Assistant Manger and got acquainted with him. He could see the future and he sort of helped get Dome started and made a very successful company out of it.

#268 SB: In the early years I guess, it was just like any other company, struggling along.

CS: That's right. On the market, stock market, everybody was getting dope on whether a company looked good or not and buying their stock. A lot of stock gambling. And a lot of money made. Because the oil companies that were sponsored by the stock brokers were successful. You could look at a map and see all the developments and see what I'm talking about.

SB: I guess that was the only way you could really guarantee success because it was always hard to get the Canadian investment community to back you.

CS: It was a great help, no doubt about that, yes. Companies could promote stock and raise money and then use it for development.

SB: So stock trading has always been a major activity that's tied in with the industry?

CS: In the Canadian development it was a very important factor, very important factor. So many of the people that were with the companies had come from the States and knew about the potential of oil stocks. So it had a better market than you would normally think of, of promotion.

SB: I guess that would always be a major item of information that would be shared between people too.

CS: Right. Well, Carl Nickle had this drilling report and it was very authentic, he got real straight dope from the oil companies and he didn't publish it if he couldn't verify it. So you could depend on his bulletins for actual facts and whether you should sell your stock or buy more. His information was very good. I'm sure Carl made a lot of money himself out of it.

SB: Has that changed in the industry now, does stock still play as big a role do you think?

CS: I don't think that the stocks get the activity or boom nowadays, at least I don't hear of it. But I quit trying to follow the market. I have some very successful stocks that pay good dividends but I didn't keep too many and I haven't even looked at the market for months now. I have some stocks and my wife has some stocks but we don't worry about it, we just wait for the dividends. And they're pretty regular.

#312 SB: And I guess one of your continuing involvements with the Petroleum Club is your gin rummy games.

CS: Yes, we used to have some high powered games.

SB: A lot of the people you play with have been in the industry a long time. Do you want to mention their names?

CS: Oh I don't know, they might not care to be publicized. Oh, Wilder Ripley was one of the good players. Wilder came up here during World War II, as I think, an army guard or something out at the airport. His mother brought him up a suitcase full of money and he got in with Max Bell and they started playing the market while he was out at the airport and he liked Calgary so he stayed on and oh, he made millions out of it. He and Max bought some of the best equipment out at the Foothills Hospital. All of the scan machines and things, they sponsored that, very good citizens. Max Bell too, they were close, really almost partners, Max Bell and Wilder Ripley. Actually Wilder sponsored Max, Max had the newspaper here you see. It wasn't doing much good and Wilder sort of financed him into the oil business. They kept on going and made a lot of money.

End of tape.

Tape 2 Side 2

SB: So in the 1950's there was a lot of excitement about the industry. I guess promotions really played an important part in the growth of a company.

CS: No doubt about that. Getting Carl to write up your development or drilling helped sponsor your selling stock you see. People would see Carl's report and think, that's a good gamble and buy some stock and it helped the companies.

SB: Was the Western Oil Examiner still being published then?

CS: Yes. I think, I believe, Max Bell sponsored that but I'm not sure. I didn't know much about that because Carl's report was every day and very current and that's about all you had time to read.

SB: So it was a really rapid pace in those days?

CS: That's right, there was something new every day. And exciting, and good opportunities. If I hadn't just been a little conservative I could have made millions up here. I'm not complaining though, I know how I'm going to eat till I kick the bucket.

SB: Are there any periods that you think of as being your favourite or being more significant for you in the oil business?

CS: I don't know. Of course, right after I got married, in January 1929, in '31, we went into the Depression and I damned near starved to death, it was a rough go. But fortunately I got on with the Shortline Railroad that my father had sponsored when he had the refinery there at Oklahoma and so I was there until '35. The Illinois boom sort of started up and I heard about it and I went up there and got on with Seaboard Oil, buying leases. They were paying me 15 cents an acre and in 6 weeks I made \$1,600 and that was more than I made the year before.

SB: Probably for quite a few years before, eh?

CS: Yes, that was very important. And that got me started in Illinois. After that play the development seemed to be handled out of Evansville, Indiana, so we moved over there and I worked for different groups, Atlantic, not Atlantic but Canadian Superior was there as Superior Oil. It wasn't called Canadian Superior down there. I worked with them buying leases and I worked with Seaboard and I worked with . . . I can't think. Personally I think I'm the best landman I ever saw. I never had any trouble getting work if companies were buying. They were always giving me help.

#056 SB: I guess you've seen the industry do a lot of ups and downs, booms and busts?

CS: Oh yes, it hasn't all been good. There's been some sad days, I'll tell you. That thing in the 30's, boy . . . I finally got on as a bookkeeper on the Shortline Railroad and we got passes all over the U.S. and I took my wife and baby out to California on passes. It not only included the Pullman but the fare and meals. It was great. We had some highlights, had a lot of sad days too.

- SB: Who were some of the more influential people do you think, that you've come across in your career?
- CS: I guess Baron Kidd was about as important as any one individual that helped me. I worked with him at Evansville, Indiana, he was up there, that's where I got acquainted with him. I think he really sponsored more things and helped me more than any one individual. I can't say that any of them were prejudiced for or against me. People knew I could, I just had a natural ability to get farmers to sign leases. I don't know why but I just could talk their language and the first thing you knew I'd inspired them to think they might have some oil under their place and they better let me try to find it.
- SB: Did you have to deal with farmers in Manitoba or Saskatchewan?
- CS: Yes, Manitoba was very much like the Illinois play. It had been settled early you see, and the surface owner, most of the properties over there owned their own minerals. Manitoba was very much like the States development. In Alberta here it was more government reservations and government minerals you see. Because they started selling the land without the minerals about the time Alberta was opened up.
- SB: So I guess it was more difficult having to deal with the government than an individual?
- CS: Not actually more difficult, it was just a competitive thing and usually opened a submission. The government had regulations on how to get permits and then how to convert them, you could only convert about half to leases. So then the government had, if you found anything on your half, they had something to put up at auction. So the government was well managed here for developing the oil, they encouraged the development and they made money out of it too. As you know, the Heritage Fund, what have they got, \$15 billion or something. Fantastic. No, Alberta's been well managed ever since I've been here. Manitoba was very much like any of the . . . Oklahoma, Ohio or Illinois, in that it had been settled early and when they got their patent from the government over there they got their minerals too. In most instances, there were a few provincial minerals but not too many.
- SB: So what do you think the future of the industry looks like in Alberta, do you think it's positive?
- CS: I think it'll just keep on getting better, no question about it. Alberta has basically just barely been scratched. You should look at the development in Oklahoma that's been going on since 1900 and see the holes that have been punched and think how much land in Alberta that hasn't been touched yet. Alberta will be good for the next 50-100 years, no doubt about that. As far as oil development is concerned.
- SB: Do you have any more comments you'd like to make about your career before we finish up?
- CS: I don't think so. I mean I'm just glad to be alive at 79.
- SB: Well, it's been interesting.
- CS: I don't know if I helped you or not. I would think there was much of it that would want to go into records but. .
- SB: Oh I think it's been interesting. I'd like to thank you for taking the time.
- CS: Well, I was glad to help you.

