

PETROLEUM INDUSTRY ORAL HISTORY PROJECT  
TRANSCRIPT

INTERVIEWEE: Vernon Taylor

INTERVIEWER: Aubrey Kerr

DATE: June 1981

AK: I'm at the residence of Vernon Taylor, 28 Stratheden Rd. and today is Thursday, June 4<sup>th</sup>, 1981. I am going to record some of Vern's reminiscences, dating back to Turner Valley days.

VT: Well, I was born in Winnipeg, May 23<sup>rd</sup>, 1906, and took all of my schooling, including my university training in Winnipeg and graduated with a BA degree in 1926 in the sciences. I decided that I was interested in both chemistry and geology and decided to take another year and get my Bachelor of Science degree with majors in Chemistry and Geology. In the summers of 1926 and '27 I worked for the Geological Survey in the general area of Steep??? Rock Lake, Ontario. At that time we were looking for the big iron mine we thought existed there but couldn't find. Following the return from the Survey in 1927, there weren't any jobs in industry available, I took a job with a financial group and worked with 2 of them for a period of 2 years until 1929 when I decided that I was not interested in the clerical type of work I was doing and I should make more use of my education and my love of geology. In order to make contact, my good friend Grant Sprat, whom I grew up with and palled around with all my life was working in Calgary for the Department of the Interior, in the Borings??? Division, doing geological work for the department at that time. Fortunately at that time the industry activity picked up and Grant needed an assistant so he said, I should apply for it and I was fortunate enough to get it at a starting salary of \$150 a month, which was a great break for me because it was almost twice what I'd been earning as a clerical worker in Winnipeg. So I jumped at the opportunity and went to Calgary in July 1929 and joined the department at that time, who was administered by a Scotsman, William Caulder, who'd had oilfield experience throughout the world and joined the department several years before that. In addition to Grant there were 2 petroleum engineers, Charlie Dingman, who was a nephew of A. W. Dingman who drilled one of the first wells in Turner Valley and George Elliot, who was a local boy who'd had some engineering experience in the States. Also Colonel Steel, who was in charge of the coal operations and checked on the leases and worked on by them. Mr. Floyd Beechman was also a member of the department and was chief statistician and record keeper and helped with maps and was a tremendous help to all the people in the department.

AK: I'll just say a few words, you were telling us about your experiences with the department of the interior and your offices were in the old immigration building, which still stands at the northeast corner of 10<sup>th</sup> Ave. and 1<sup>st</sup> St. S.E. Now you were going to tell us about the pick up in activities and your move to Turner Valley.

VT: Yes, the pick up in activity of course was mainly due to the successes that had been

recently encountered in Turner Valley where the field had been extended by the successful completion of the Home wells in the southern part of the field at that time. Drilling activity naturally picked up after the success there and a large number of the samples that were sent into us and examined came from the Turner Valley field. In addition of course, there were numerous wildcats drilled throughout the province and their samples were also sent into us for examination and logging and any further examination that might be considered necessary. I stayed in the Calgary office till the fall of 1929 when I was moved to Turner Valley to be closer to the scene of operations. My duties there were to go round to the drilling rigs and pick up the samples which the drillers and helpers had taken every 10' during the drilling of the well. Also the drilling reports which indicated the daily progress and conditions of drilling at the time and any shows of oil or gas etc. that might be contained. At that time I had a Ford Model A car, ??? they called them in those days as I remember. In view of the fact that my activities in the valley didn't require full time I spent a couple of days a week in Calgary doing sample examination and helping Grant with whatever work that was required at that particular time.

#063 AK: You first moved out to the valley in the fall of 1929 and the Dominion government

build a house for you which served also as an office. I imagine that they didn't charge you very much rent and there probably wasn't a mortgage on it of 20%.

VT: No, you're quite right, as a matter of fact there was free lodging as far as I was concerned. I took all of my meals outside but at that time it was quite a change for a person who had been born and raised in the city to finally go out into pretty rough country where the roads were not very well developed and into a different class of people. A good rough ready group of drillers but big-hearted and cooperative to a large extent, although at times they loved to pull your leg and pull practical jokes on you. To continue on, as I mentioned, I worked 2 or 3 days a week in the Calgary office examining samples and building logs to get a better appreciation of the structural conditions of Turner Valley. There was lots of information available coming in. It took a little while to digest it and get the maps together but gradually we formed a pretty good picture of the structural aspects and the over thrust structural condition of Turner Valley. In Turner Valley the Royalite company also maintained an interest in all wells in the field and were able to get samples from the other companies and build up a fund of information for themselves. This was supervised by T. D. Moore, who was very knowledgeable and well qualified to discuss the geology and work in Turner Valley. It was a great help to me at time when I was working in Turner Valley, to go and chat with him and get some ideas and thoughts from him at the same time. Also because of the activities in Turner Valley, new geological help was attracted and a society was formed back in 1928 of the local geologists, which I joined after I moved in 1929. They were a great bunch of people and we had many good times together and many good discussions on the whole aspect of the oil industry in Alberta and western Canada.

AK: About 1930 the provinces received their mineral resources from the Dominion

government and the changeover, as you've explained to me, was done very smoothly. The same personnel were in place, they had the same duties but now they were reporting to the Petroleum and Natural Gas Division of the Department of Lands and Mines in Edmonton, is that correct Vern?

VT: That's correct. We reported to the Deputy Minister, Mr. Harvie at that time. A small office was set up in Edmonton and the group . . .

AK: The first things that was done was to move some of the staff up to Edmonton, which was geographically quite a way distant from Turner Valley but you were saying that you remained in Turner Valley. But when this new Turner Valley Conservation Board was formed to regulate the flow of gas and to try to prevent waste you went up to Edmonton for a short period, is that right Vern?

VT: That's right. During 1932, because some of my operations had been connected, in addition to the sample examination and sample pick up and so on, was to maintain some supervision over the amount of gas produced in the field and measurements of the gas were made periodically, which was part of my duties. When the Conservation Board undertook a series of tests to fully understand more about the size of the reservoir and the pressure and flows of the field I was moved up to Edmonton and worked in a lab reverting back to my sample examination and log work and general geological studies. However, after the Conservation Board was dissolved in 1932 I moved back to Turner Valley and established an office in the hotel in Black Diamond and worked there for several years.

#125 AK: When this Conservation Board was disbanded, the department in Edmonton took over the responsibilities, is that correct Vern?

VT: That's right. It came under the Department of Lands and Mines, Petroleum and Natural Gas division.

AK: And you, once again, resumed your duties in the valley but added to that was visiting the producing wells and testing the flow rates with a pito??? tube, to ensure that each well was adhering to its quota, is that correct?

VT: That's correct. Of course, this is one of the problems that one faced in those days. A pito tube was used to measure the gas at the end of the flare line so it was only a momentary measurement of the gas and there's no record of the full daily production. So anybody that wanted to open his well up a little bit further could do so in the middle of the night and no record would show on it. This was of course, before meters were installed which recorded the flow for the 24 hours. It was easier then to regulate and keep track of the production that was taking place from every well in the field. With the increasing number of wells in Turner Valley of course, my production engineering work increased, so I was able to do less sample examination, although I continued to pick up the samples from the various wells and the drilling report. And maintain my interest in the samples and wherever possible try and identify the markers, and pass on the information where it was required by the individual operators. I think it might be of interest, the fact that in the early the roughnecks loved to save themselves work. Instead of worrying about taking a

sample every 10', they'd drag up 10 samples from one return of cuttings and date them ahead and then no one would know the difference as far as they were concerned. But it was pretty easy, after some experience, to know that sometimes they'd do this over an important marker and we knew that something was wrong. Later on in the development of the field we got the roughnecks to become a little more interested in sample work because at that time the drilling crews formed a pool on the depth of the top of the limestone. The winner of this pool was then asked to buy, or volunteered to buy a keg of beer and after the casing was set on a line, the boys had a party right on the site and drank the beer. The roughnecks were naturally interested in trying to make a good guess. So then they were most anxious to get good samples and they also took an interest in the various markers and would ask me at various times, where I thought we were and were we getting close to such and such a marker, were we getting close to lime. In order that they could make a reasonable guess on the top of the lime and have a chance of winning the pool.

#172 AK: Very, I'd like you to tell me about the circumstances under which you met your wife Bunny and what you were doing at the time and then, after you got married where you went to live and the kind of house you lived in with maybe a few little comments about that?

VT: Actually I met Bunny in Calgary through an old friend of mine, Jack Webb. He was going out with a girl who had a sister and Jack took me along and I met Bunny and we hit it off right off the bat and went together, I used to try to get in every weekend and visit with her and go to dances etc. We got married in August of 1933 and moved to Black Diamond to take up our residence. At the time I maintained an office in the hotel and we had to look for a house. We managed to locate a wooden 5 room place, which had been newly decorated and looked to be quite adequate and satisfactory for our purposes. Unfortunately it turned out to be not as clean as we anticipated and we moved out to another smaller place but much cleaner and much nicer to live in, a 3 room stucco bungalow. We had to pay the large sum of \$10 per month for rent. It had open radiant heaters then. Of course, in the winter time they discharged a lot of moisture and the moisture would accumulate on the walls and the doors and the windows. Sometimes we had to literally carve our way out of the house by chopping away at the ice, to get out after a cold night with all the moisture in the air. There was no water available so we had to haul all our water about half a mile from the village pump. Bunny used to have to do our washing in a big tub and we had to do our bathing the same way, so it was quite an experience for both of us. It was a great time and we thoroughly enjoyed the Black Diamond people and all the hospitality that was around at that time.

AK: What Bunny said a few minutes ago while we were having tea was that your gas bill was a flat rate of \$5 a month because it was cheaper for them to let you have the gas than to install a meter because the cost of the meter would be too high. You were saying that the gas that you bought from the gas company was the same price as the residents of Calgary had to pay, even though just a few miles away there were millions of cubic feet of gas

being flared every day. The sour nature of the gas made it necessary for you to burn the scrub gas that came out of the gas plant. The other thing that you were mentioning Vern, was the fact that you would conduct annual pressure surveys of all the wells. Was it necessary that these wells be shut in for a certain number of hours or days?

VT: Yes, we used to do it in several segments of the field. We'd shut in one whole segment for a period of 24 hours and take the 24 hour pressure then open the well up and let it blow down for several hours and then take an open flow test. We did this every year for several years to get some good measurements of the ultimate reserves and possible flow that might be used from the Turner Valley field.

#232 AK: In these pressure surveys did you notice any pressure sinks which indicated excessive drainage from a certain part of the pool?

VT: Certainly in the oldest area, right around the town of Turner Valley where old Royalite #4 was brought in was the lowest area of the field because of the large volumes of gas taken out over a few years. Then the pressure would build up to the newer areas and the deeper the wells got towards the south end of the field and down the flank, of course, the pressures were higher. So there were these sinks throughout the field where early drainage had taken place and large volumes had been flared before any conservation measures were adopted. During these tests of course, it was noted that Model #1 had a lower gravity and discoloured naphtha. The gravity dropped gradually which indicated that it was getting close to some possible crude oil. There was another well, Advance 5A, which was located about 4 or 5 miles north of Turner Valley town, it was also one of the deeper wells and it also produced a discoloured type of naphtha and the gravity was gradually dropping. So there were suspicions that there might be some sort of a crude oil leg below the Turner Valley gas cap. This of course, was confirmed by the Turner Valley Royalties well which came into production in June 1936 with a 40 odd gravity crude oil and produced somewhere about 800 barrels a day. Gave some assurance that there was a good possibility that a crude oil leg existed the whole length of the Turner Valley structure.

AK: You were saying Vern that you were out in the field as it so happened, taking pressure surveys and you dashed over to the well to see it as it was being swabbed in. You would regard this and your later presence at Leduc #1 as being probably the 2 high points in your career, as having seen 2 landmark type of oilwells, discoveries in one case and a new situation at Turner Valley, would that be a fair statement?

VT: That's right Aub. It was a terrific thrill to see the Turner Valley Royalties well come in and produce oil free water in as sizeable quantities as it did. It was a real landmark in the development of the oil industry as far as Alberta was concerned and a great thrill to all of us who were able to see it come in. The same applies to Leduc. I actually was present when the well blew in on February 13<sup>th</sup>, 1947. I was also present when the well was separated into the tanks and distinctly remember in the first hour of production the well produced 41 barrels an hour, or approximately at the rate of 1,000 barrels per day. This of course, was terrifically exciting because this was in a new area where very little drilling

had been done, a new geologic formation and a new type of structure which we hadn't sort of encountered before that. So it was a real significance and tremendously thrilling to those of us who were on the spot at the time.

AK: I was going to ask you, at Turner Valley Royalties, when you got there did you see Bob Brown Sr. or his son or any of the other participants.

VT: Yes, I saw both of them. Bill Moyer was another one. I got to know both Bob's quite well because Bob Brown Sr. used to come round when the well was getting close to the top of the limestone and ask my opinion on the samples and how close they were to the lime. We developed quite a friendship with both of them. It was great to see them meet with the success that they did.

AK: This is the end of the interview on Thursday, June 4<sup>th</sup> and I will turn the tape over for the continuance of the interview which resumed on Friday, June 5<sup>th</sup>, 1981, still at the residence of Vernon Taylor in Toronto. Over and out.

#### Tape 1 Side 2

VT: . . . moved to Calgary in December of 1926. Grant stayed in Calgary until, I think it was the fall of 1927 when he decided he wanted to get his Masters Degree in geology, took leave of absence from the department and came back and got his degree and returned to Calgary in the spring on 1928 and continued on, working with the department until the transfer of the resources.

AK: You were saying Vern, that during your bachelor days that you and Grant and then, Jack Webb, who was also a Manitoba product roomed together and you became very fast friends, the 3 of you. Then ultimately, Grant left the Alberta government to go with a company called Anglo Canadian which later merged in Canadian Oil Company. Is that right Vern?

VT: That's right Aub.

AK: Could you tell me the circumstances surrounding your departure from the Alberta government to go to work for Royalite and also the other offer that you had at the same time from Anglo Canadian?

VT: After the Turner Valley Royalties well came in of course, work picked up in Turner Valley and there was quite a lot of new activity going along. I thought at the time I might like to get out of the government into a private industry. About the same time I was approached by Sam Coltis who was superintendent of Royalite in Turner Valley at the time, asking if I'd be interested in making a change and coming with Royalite. I jumped at the opportunity and said I was definitely interested. Oddly enough about the same time I had an offer from another fairly large independent company asking me if I would like to come to work for them. So I had a decision to make and I opted for the Royalite job and of course, never regretted it afterwards. One of the attractions of the Royalite job was the fact that I was promised a fully modern house in what they call, Snob Hill where the Royalite employees lived in nice 5 room bungalows, with running water and all the

facilities of a city home. That was great attraction to my wife and me and we eventually got over there a few months after I joined Royalite and it was just like moving into a castle to have running water and a nice garden after living on a busy street in a 3 room bungalow without the amenities or the nice facilities of a home.

AK: When you went with Royalite you were saying that you had pretty well divorced yourself from geology and you were concentrating on production engineering. Could you tell me a little bit about your duties with Royalite at that time?

VT: Yes. That was one of the things that I regret to some extent, that I was getting away from geology because the new job was mainly concerned with the drilling and production of wells, supervised by Royalite. In the initial stages it was really the start of a petroleum engineering department, to get some engineering thinking into all phases of drilling and producing. Royalite had recently been advised by a couple of experts from one of our American associates, Humble Oil Company, on ways and means in which they felt the drilling could be improved, one of which was the use of mud. It was generally considered that thin mud was the best way to drill the well and drill the fastest but because of the varied contorted nature of the formations in Turner Valley there was caving took place and large chunks would drop into the hole and had to be lifted by heavy mud. But Royalite adopted a mud program, in which I worked with the drilling people to ensure that they measured the mud quality and did their best to try out new ideas in the mud technology. Also part of my duties was to be responsible for any testing that took place of wells operated by Royalite and acidization, cementing and so on was one of the functions which I worked at.

#059 AK: Apart from foothills operations you were also responsible for drilling out on the plains. You were saying that you had occasion to go over and visit Cam Sproule's exploration and drilling program in Saskatchewan. Could you give us a little detail on that?

VT: Royalite at the time of course, was operating all of Imperial's wildcat operations under a contract basis. So I was exposed to testing and drilling practices and so on, of wildcat wells in Alberta, both on the plains and in the foothills and also in Saskatchewan. At that time there was quite an active program in Saskatchewan, and I worked quite closely at times with the late Cam Sproule. One well in particular stands out in my memory, Radville, which looked before drilling to be a very good looking structure and Cam was extremely enthusiastic about it. Unfortunately when we got down into the possible producing formations they were tight and we were never able to make a successful well out of it. Although they did discover the potash beds deep down in the Radville well and indicated that there were substantial deposits of potassium available in Saskatchewan.

AK: I understand Vern, that you were to be transferred to Toronto and you actually went down there and during that time you worked for O. B. Hopkins, because there was nobody in the 56 Church St. offices who had any western Canadian experience and you were there as a western Canadian advisor. You were saying that you occupied, for a time, O. B.'s office on a side table. Is that correct?

- VT: That's right Aub. I did odd jobs until they could find me an office and get established in the work that I was supposed to do. But that time, I'd been there about 2 months and I came home for Christmas time fully expecting to go back to Toronto after the New Year. But it turned out that Imperial had been studying the whole Royalite-Imperial organization set-up and in the early part of 1946 decided that Imperial would undertake its own wildcat exploration operation and build up a staff and handle its own engineering, geology, etc. apart from the Royalite connection. My plans were changed and I was asked to stay in Calgary and take over the job of operations manager under Walker Taylor, who was made manager of the western division of Imperial Oil producing department. This was the start of the producing department, leading eventually to the discovery of Leduc.
- AK: One of the offshoots of this new program with the newly formed Imperial Oil producing department was the possibility that there would be no more oil of any consequence to be found in Alberta and a study was under way to construct a Fisher-Tropsch synthetic plant in Edmonton to synthesize gasoline out of natural gas. With that in view, you were in charge of a drilling program in the Viking-Kinsella and the Provost areas. Is that correct Vern?
- VT: That's right Aub. I didn't have any direct connection with the study that was being made but I knew about it and we were out looking for gas reserves and were quite successful in extending the Viking-Kinsella area and increasing the gas reserves that Imperial Oil would require if they decided to go ahead with the plant.
- #113 AK: You were saying about the big study which you didn't know very much about but you heard about it. A rather hush, hush study about the hinge line concept and the chance that there still could be some oil and this was a joint study involving Mose Keneval, Mike Hyder, Don Mackenzie and the Jersey staff. Did you have any input into the choice of the Imperial Leduc #1 location?
- VT: No, I didn't Aub. I didn't have any connection with this committee group at all. I heard on the sides that they were working to try and decide whether they should take one last fling at the prairies in northern Alberta before deciding on the construction of a Fisher-Tropsch process for synthesizing the gas to gasoline. And knew that there were recommendations of course, of certain seismic work that said to carry it out and knew about the work that was being done in and around Edmonton. But I had nothing to do with the location of the #1 well.
- AK: You recall the fears that Imperial Oil had when the CCF government gained power in Saskatchewan. My understanding is that in order to prevent confiscation or expropriation Imperial moved their rigs very hurriedly out of the province. Can you outline for me what happened after that?
- VT: I'm afraid I wasn't very close to that Aub so I don't think I can add much to that, other than there was great consternation about the attitude of the government and whether or not they should continue operating or they should move out. I guess they decided that they might be spending good money to only be lost later on by confiscation and decided that they would move out at least temporarily until the climate of government changed its

attitude.

AK: Then they moved back again.

VT: Then they moved back again and adopted this fairly substantial exploratory program.

AK: Vern, one thing you reminded me about is Don Mackenzie's role with Royalite. I suppose going back to 1933 when he first became associated with Royalite, he worked under Ted Link's direction as a geological assistant. When you joined Royalite he was with the geological department. Could you give me a little detail about him and about Don Wilson and what positions they took?

VT: After I got established with Royalite in 1938 it looked as though I was going to need some additional help. Don had been working for the geological department and there was sort of a slack time there. He was transferred over to the producing end of the business and worked with me for many years in the petroleum production, engineering phases of the Royalite operation. Don Wilson also joined us in Turner Valley and was again, part of the original group which later turned out to be the petroleum engineering group of Royalite.

#168 AK: Of course, when war broke out and after Pearl Harbour of course, Canol was the big thing and Don Mackenzie was transferred up there. In the meantime Don Wilson had joined the Air Force. When he returned he rejoined Imperial and worked out of the Calgary office. Upon the wrapping up of the Canol project Don Mackenzie went directly to Toronto to work out of the head offices there. Is that correct Vern?

VT: That's right Aub.

AK: Now getting back to Imperial Oil setting up this department in Calgary, the names that you mentioned are familiar to all of us, first of all Maurice Paulson, now retired from Home Oil, who had been working for Neil McQueen in the old Pacific Petroleums Ltd. in southern Alberta but who was looking for a job and I believe that Neil McQueen recommended him to you or to Walker Taylor. Then there was Jack Harvey who had been up at the Canol project and who is now retired from Imperial Oil. There was Jack Trowel???, who had been working in southern Alberta for you and who subsequently went on to Chevron and possibly Hugh Naldret???. Walt Dingle, who had been in South America was transferred back up to work out in Provost to start with and then he went to Devon, he moved to Devon and built a house there. Another person was W. J. Gibson, who started off with Imperial as a well sitter at the Coldspur well and then switched over to the engineering department under your direction, is that right?

VT: That's right Aub.

AK: One of the colourful characters you had under your direction was Charlie Visser, affectionately know as the Dutchman. Could you tell me a little bit about Charlie and his operations and where he got started?

VT: Charlie was with the drilling department in Royalite and come out from Holland many years prior to his entrance into the valley and worked for his father who was a rig builder. Eventually Charlie got onto the drilling rigs and progressed very rapidly up to becoming a driller and eventually assistant drilling superintendent, under Floyd Walker in Turner

Valley. When the change was made to Imperial, Charlie was made drilling superintendent of all Imperial drilling operations and was a very strong character and was a very hard worker and did a tremendous amount to building up the drilling phases of the operation of Imperial Oil.

- #225 AK: When Leduc got under way in drilling, you were saying that you and the Dutchman went up to Imperial Muskeg #1 well site, which was a very, very far out wildcat, there had been no drilling anywhere in the foothills and you had to build a 70 mile road out to that location. Could you tell me of the circumstances around that and then your hurried trip back to Leduc.
- VT: Charlie and I had gone up and were unable to get into the location and decided where we were going to locate the well and had been in touch with Calgary and learned from them that the first successful, flowing drill stem test in the Devonian formation, which later came to be known as the D-2 production. It was highly encouraging, we thought we should go back and be close to it to get all the details of what was taking place there in respect to the testing and how far wells should be drilled before deciding on the completion of the well.
- SK: This turned the whole picture around, this first drill stem test. You were saying that in those days Imperial did not make any press releases and kept a low profile. But you were saying that you kept Carl Nickle, who was then the publisher of a 1 or 2 page daily oil bulletin, which he ran off of a hand crank Gestetner, to respect the confidence. Would this be about right Vern and then you could lead into the decision to deepen the well?
- VT: That's right Aub. Rather than get false rumours circulating to any great extent we tried to keep Carl Nickle informed of daily operations wherever it was possible to do so. And asked him to respect the information he got and to hold it in confidence until we gave him the authority to release it. We had a very good relationship with Carl on those lines and he maintained that relationship throughout. The big problem of the Leduc well, a nice problem, was how far we should drill into the porous limestone before running casing and testing. In view of the poor experience we had in southern Alberta where you drilled a few feet of oil sand and then popped into water, it was decided after drilling, I think it was about 37' of porous lime that we should stop drilling at that point and run casing and make a test of the well. Then seek to find the water line at a subsequent well. So this was the decision that was made and casing was run and testing followed.
- #281 AK: When the decision had been made, and you told me that the decision had been given from Toronto to stop drilling, then preparations were made to put the well on production. But by that time the public had become quite aware of what was going on and was gradually gathering the significance of such a landmark discovery, a breakthrough which turned out to be even more important. It was decided by the public relations department to stage the actual bringing on of production so that there could be a gathering of dignitaries and senior operational people there to witness the event. I believe after some preliminary work it was decided that February 13<sup>th</sup> would be the day. Could you

take over from there Vern?

VT: Yes, thanks Aub. Because of the publicity the company felt that it was desirable to publicize as much as possible. Despite the fact that Vern Hunter, who was the tool push on the well was somewhat opposed to it because he had seen so many wells that they thought were going to be brought in on such and such a day that something would happen to delay it and it would be a day or two late in bringing it in. He was a little bit concerned, as was Walker Taylor and I both, because we'd seen so many wells that were supposed to come in that didn't come in at the right time. However, we planned as much ahead as possible and started swabbing about midnight on the day the well was to be brought in. The public were invited to appear in the morning of the 13<sup>th</sup> with the hopes that the well would be brought into production. Unfortunately, while they were swabbing the well, the [sand line]??? on the swab broke and left the swab and the line in the hole and this delayed the operations for about 4 hours, until the swab could be fished out and started reswabbing. It wasn't long afterwards though, that the well blew in. It was turned to the mud pits to get rid of all the mud and water, after which it was turned to the flare and burned off for a few hours to get rid of all the drilling mud and water that was in the hole. The well was then turned into the separator at about 4:00 in the afternoon and I distinctly remember the first hour of production being 20 out of 21 barrels, or a thousand barrels a day. This was a great thrill to me, I hurried back to Edmonton to tell Walker Taylor and the rest of the boys who were waiting to hear the good news. Of course, everybody was highly elated at the results of the first hour. The next day they were able to find out that the production would sustain at about that rate. It made it all the more significant. Some of us who had been active in wells in other parts of the province had seen wells come in looking very good but turn to water very quickly. This was always in the back of the mind because we didn't know whether the water level was 5' below the bottom of the hole or 100'. This was a worry as to what might happen when the well was put on steady production. Fortunately it turned out the well was well above the water level and continued to produce for the life of the pool I think, without any large amounts of water. The Minister of Lands and Mines, the Honourable N. E. Tanner, the Mayor of Edmonton, the Mayor of Leduc, Councilman of various towns in the area were all invited, as were many oilmen from Calgary so it was quite a distinguished group.

End of tape.

Tape 2 Side 1

AK: We are resuming the story of Imperial Leduc #1 discovery and the ceremony that took place at the well site. Sometime before Leduc #1 was completed and when encouragement had shown up in the lower Cretaceous sands, there was some wet gas, it was decided to drill down dip from the #1 well site. This was the main reason for locating it where it was and in retrospect too, because no water had been encountered in the D-2 in #1 it was decided to see if there might be an oil-water interface in the #2 well. The #2 well was about 1½ miles south and a little west of the #1 well.

- VT: Yes, that's right Aub. It was going to be a very important test to determine the possible extent of the field and as mentioned, establish the water lines, both the Cretaceous and the Devonian lime production, to be known later as the D-2.
- AK: During the entire drilling of the #2 well, it was during the spring break-up, can you recall the roads, there were no roads but the conditions of the terrain in order to get in and out of the lease.
- VT: Yes, I can well remember trying to drive into the lease to see what was taking place on the rig floor and getting only a short way into the lease when I got bogged down and finally had to walk in. And for a period of several days during this important testing period, everything had to be brought in by cat, trucks couldn't even make the road into the lease. It made for difficult working conditions but the boys came through as usual and it continued on to deeper zones.
- AK: My being on the well site, I well remember coring the D-2, we were all set to run drill stem tests and core the D-2 and every core we pulled on the D-2 was tight, there was no porosity to speak of, there was the odd little oil stain. Everybody was in a state of shock, I'm sure that was the case in both Calgary and Toronto.
- VT: You're sure right Aub, it was a terrible disappointment to everybody after the wonderful results we had at #1, to think that the field was going to be limited by a short step-out such as #2 was.
- AK: I recall being given orders to resume drilling, so we reamed out the rathole that we'd made with the core barrel and continued to drill full hole through green shale, which I believe had been encountered to a considerable thickness in a well that McCall-Frontenac had drilled down near Wetaskiwin that previous winter. We didn't know where we were going, we were just drilling green shale and my recollection is that on this one afternoon that the drilling speeded up and I ordered, after cutting 6' of hole I stopped the rig and circulated but it wasn't until midnight that we got returns because of the small capacity pump, the small drill pipe, everything small. It was in those days, 3½" drill pipe and I think we were only cutting a 7 1/8 or 7 3/8" hole. Then ordered the tester out and as I remember he had to carry the testing tool out, either on his back or skidded it in some way. I tried to get hold of Fred Killer that night and couldn't get him, so we ran the test and I guess the first thing you people heard was through the report that either Lornie Leeson or Bill Blinn phoned in, is that right?
- VT: That's right. And it was certainly good to hear the news that we got a new producing horizon and we were all set to wait the results of the deeper drilling.

#052 AK: It just happened as a coincidence Vern, that we had intersected the D-3, the top of the D-3, just at the gas-oil interface and we didn't realize there was a gas cap in that well. So we cut 38' of oil section and I think we got down into the water and we ran pipe then and completed the well. But every test flowed in a matter of minutes, every drill stem test. The chore was to find out something more about the eastern extent of the field, and now knowing that we had a new zone, we were shooting for 2 horizons, both the D-2 and the D-3 and it was decided to drill north and east of #1. Have you any details on that location

Vern?

VT: Yes. This again, was a most important test to determine the extent of the field. We well knew from the seismic results that we were getting pretty close to the edge of the reef and a successful well there would make a sizeable pool. As it turned out we were pretty close to the top of the structure and drilled a full section of gas on top of the D-3 and got the full D-3 section. So it turned out to be a very interesting and important well for determination that there was a sizeable gas cap on top of the D-3 and it looked as though the leg was constant at about 38'. It was definite information of a significant sized pool. We decided to speed up the amount of drilling to further determine the outline of the pool and the extent of reserve and 2 or 3 contract rigs were brought in to start developing, in addition to the 2 company rigs. As more of the success these wells indicated, more and more rigs were employed until the field was completely drilled up. It meant in most cases, 2 wells to a legal subdivision because we drilled 1 D-2 well and 1 D-3 well. So there was a considerable amount of drilling required to fully develop the field.

AK: I believe dual completions were considered but it was felt better to have 2 separate well bores, one of the D-2 and one for the D-3.

VT: That's right Aub. There was always the danger of the packer giving out and you'd have the 2 zones mingling. Neither the company or the Conservation Board would like to have seen the 2 join together to interfere with testing and flow conditions. So for this particular development stage it was decided to continue on with the single hole for each zone. Maybe I should make mention of the fact here that with the boom drilling in Leduc, this opened a new production horizon and a new seismic target. So Imperial's operation expanded very rapidly, both seismically and drilling out side of Leduc. Their budgets increased very rapidly, with the result that they had to seek a source of new funds. The first thing they did was to sell their interest in International Pete to the parent company, Standard Oil of New Jersey shortly after Leduc was brought in. And then later on selling their interest in Royalite, figuring if they continue to operate with Royalite and Imperial there was a tendency to have a conflict of interest and it was just as well to have one single entity doing all of Imperial's work. So the Royalite interest was sold, all of the funds of which were used to exploration and development of further prospects.

#105 AK: Up till 1948 Vern, you were operations manager under Walker Taylor, no relation. At that time Toronto headquarters felt it was necessary to have a knowledgeable person in Toronto who could keep them fully informed on a daily basis. Could you tell us about that move to Toronto and what date it was?

VT: Yes, Aub. I was moved to Toronto in the spring of 1948 as a producing advisor. We had other people to advise on exploration work and endeavour to keep the Board and top management fully informed on the operations that were expanding so rapidly out west. I spent 3 years in Toronto on this basis and in addition to keeping the Board informed, we had the preparation of budgets and any communications with the Jersey corporation were usually done through the Toronto office. We wanted to keep the direct operations centred in Calgary where quick decision could be made and the Calgary office was given a certain

amount of authority to be able to allow them to make these decisions quickly.

AK: The person that took over from you when you went to Toronto for this 3 year period was Tip Maroney. Tip reported to a person known as Bob Curran, popularly known as Rapid Robert, who was a protege of Mike Hyder's and replace Walker Taylor who had also gone to Toronto. Would you like to add anything to that?

VT: I don't think I can add very much. Walker was also a great help in the Toronto office because of an extensive background in the western operations. I should have mentioned that before I moved down there, Don Mackenzie had already been there and of course, was fully knowledgeable on western operations because of his background. He stayed in Toronto until about 1949 when he was moved back to assist Bob Curran who was the manager of the western division at that time. Subsequently Bob Curran moved on and took a position with another oil company and Don Mackenzie moved in as division manager in Calgary.

AK: An interesting sidelight, when Curran left he took Iris Mitchell, who is the sister of Dave Mitchell, the present head of the Alberta Energy, along as his secretary. Going back to Don Mackenzie and yourself, Curran was still in charge when you moved back from Toronto to Calgary. Just tell us about the position you took and what your responsibilities were when you moved back.

VT: Yes, I moved back to Calgary in the beginning of 1950 with the title of management assistant. At that time reporting to Bob Curran, who left about a year later and Don Mackenzie took over as division manager. My duties were to assist management wherever possible in all such things as budget compilation, building administration, anything where I could relieve some of the managerial people of some of their responsibilities and help them along that way. I stayed with that until Don Mackenzie was moved to Toronto as a Director and I was appointed the division manager at that time, in 1955 I believe it was.

#162 AK: The things that we haven't touched on yet is your long term interest in and involvement in industry associations. This goes back to Turner Valley days when you were on the old Alberta Petroleum Association committee. Then as I understand it, when you moved back to Toronto you became more involved in the old Western Canadian Petroleum Association, which became the Canadian Petroleum Association. Could you tell me how this led up to your being appointed Chairman of the Board of Governors?

VT: I was on several CPA committees throughout the years but it was not until I become the division manager that I got more closely involved on the Alberta Board and also the general Board. And also the other committee which was formed for special studies and special decision that had to be made by the association at the time. Eventually I took over as Chairman of the General Board of Governors in the spring of 1958. But unfortunately, because of my move to Toronto in the fall of 1958 I had to resign my Governorship.

AK: We want to talk about your involvement with the Alberta Gas Trunk Line Company Ltd. and your appointment to that newly formed, quasi-Crown corporation.

VT: As I recall, Aub, it was in 1955 that I was approached by the government of Alberta, to

ask whether I would be willing to become a Director of the newly formed Alberta Gas Trunk Line Company, which was formed under the authority of an act passed by the province of Alberta, which made the transportation of gas in Alberta to be the sole operation of the trunk line company and in this way, an Alberta company would retain the complete jurisdiction of the operation of the well. Under the Act 2 members were appointed by the government and then shares would be sold to the Alberta public at an early date for the financing of the construction of the galleon lines throughout Alberta to take the gas for export purposes. Some of the first responsibilities of the Board of Directors of course, was to initiate the sale of common shares. There were 2 types of shares, a Class B which was a voting share and very limited distribution was made, in 3 groups, producers, pipeliners, and utility companies. Then there was an issue of common shares which stood as equity in the company and used for financing of the line. In addition debt financing was arranged for throughout the construction of the system. The first gas, as I recall, was carried by the line in 1957 and the Honourable E. C. Manning turned the first valve at a station up near Empress, Alberta to open the first transmission of gas from the trunk line systems into the export lines. As President, I was actually present there in charge of the ceremony for the opening of the line.

#228 AK: Then the other person that we've not talked about but we could bring him in here is the late Bill Connode, who was brought up from Texas and he had been a commissioner on the Texas Railroad Commission or an engineer. He was the first Chairman of the then newly formed Alberta Conservation Board in 1938. Bill subsequently moved on to become a consultant and an advisor to Home Oil and then you have reminded me that he was the first General Manager of Alberta Gas Trunk.

VT: That's right Aub. It was his responsibility to recruit and build up a suitable technical and operational staff for the Trunk Line Company. I think I should mention Aub that in my move to Toronto I took Don Mackenzie's job as a Director and manager of the producing department. Don had previously expressed a desire to return to Calgary and get back into direct operations rather than Board administration and we sort of switched jobs at the time.

AK: The aspects of your Directorship while you were in Toronto was involvement in the oil sands or tar sands of northeast Alberta. Could you tell us a little of the history of your connections, first with Richfield and then later with City Service?

VT: Yes Aub, I was one of the first of the Imperial group to become associated with the tar sand operation. First of all, Atlantic Richfield had accumulated a large number of leases and were thinking of separating the oil from the sand by means of nuclear explosion. We at the time, felt that there was a lot of research work needed to be necessary but it did present one possibility of separation of the oil from the sands. We approached Richfield to see whether they wanted a partner and they already had City Service along with them. So the 3 of us went in on an agreement to pursue and maintain the leases in the deeper area where the sand was not exposed to the surface and you had to use some means to heat the formation to separate the oil from the sand. A group, each owning 33 1/3% of the

operation. At the same time, City Service were operating or building and started operation of a pilot plant on the banks of the Mackenzie River where the sand was exposed. We approached both City and Atlantic about whether they would be interested in having another partner. Royalite at the time had a 10% interest because they originally owned the lease in which the pilot plant was being operated. We were accepted by the other partners and entered into a relationship in which Atlantic, City Service and Imperial each owned 30% and Royalite 10%. From the results of the pilot plant operation we were fully convinced that a great deal more research work had to be done on a suitable economic process for the separation of the sands and that more detailed geologic work had to be done on the extent of the saturation of the sands. A drilling program was undertaken to determine which was the best area of the plant. This work went on for several years, meanwhile, the Great Canadian Oilsands had made application to build a 35,000 barrel a day plant and took their application to the Conservation Board. At the time our group opposed this application with the thought that they were not ready and didn't have sufficient information to make an economic operation of their plant. On the other hand the Atlantic, City, Royalite, Imperial group, later to be known as the Syncrude group, was not quite ready to make their own application. They did appear at the hearing of the Great Canadian Oilsands and indicate that the work was being done and felt that the Board should not grant a permit to the Great Canadian Oilsands because, first of all, their size of plant was too small and that further work was necessary before an efficient separation and upgrading plant could be constructed.

#325 AK: The other thing that happened later on, after Great Canadian got started, Great Canadian as a matter of fact, just barely got started in September 1967 and they had 7 years of one disaster after another until they got sorted out. Syncrude came back to the Alberta Board and appeared with an application for, as I understand it, a 60,000 barrel a day plant to cost an estimated \$300 million. Could you give me some details on that?

VT: Yes, Aub. The big problem that arose and where the Board had to make the decision was, that because of the cost of the plant, the production from the plant could not be prorated. We had to take the full 60,000 barrels a day to make it economic. If the Board granted that, that meant that the regular crude oil producers who were supplying the market at the time would have to make room for the 60,000 barrels and their quotas would be cut. The result is that there was strong opposition to the construction of the Syncrude plant at that time and the Board subsequently took under advisement the points made by the producers and said they would defer the application to a later date to allow the company to prepare further figures and look at the economics of a plant at that time.

AK: This is the end of this side of the tape, we'll turn this tape over now.

Tape 2 Side 2

AK: . . .to you Vern, to head up the working committee and he went on in this capacity?

VT: That's right and he was a very important cog or link in the whole Syncrude operation.

Frank was a very capable man, very determined and so on, and we had many black moments in the history of trying to get the Syncrude plant built but Frank was always the optimist and was able to keep things moving when some of the rest of us might have thrown in the towel. Frank started in as Imperial's representative, as mentioned, on various committees and eventually became manager of the Syncrude operation when we formed the Syncrude company.

AK: You would agree of course Vern, that Frank was one of the real drivers on this project and you were saying that not enough praise could be given to him for his role in this very important project.

VT: That's certainly true Aub. Fran had the most difficult job of trying to maintain enthusiasm among the research staff and operating staff who were preparing application and flow sheets and construction schedules and so on, for a plant. After being turned down by the Conservation Board twice, it's always difficult to maintain enthusiasm among the people working for you but Frank had the happy knack of being able to do that and keep everybody happy and we lost very few people that way. Fortunately we were able to call upon the participating companies for technical people and they were on a loan basis so it helped in that way, of being able to keep them on the job.

AK: One of the other events which started up and I suppose it started up partly because you were frustrated with the Syncrude turn downs, was your Cold Lake operation which as I remember, commenced in 1963.

VT: I think that's right Aub. We knew we had a very sizeable deposit of heavy oil, about a depth of 1,500' and the only way we could consider getting it out was to introduce steam to heat the formation and reduce the viscosity of the oil and then remove the oil from the bore holes by means of pumps. So Imperial started on a reasonably small scale, an operation of drilling some holes and introducing steam and after introducing the steam over a period of days, to open up the well and then pump out the oil that accumulated in the hole and then go back to steaming again. At the same time we were hoping to do some field work on the question of a sweep by the steam. In other words, to establish contact from one well to the other and have the steam reduce the viscosity of the oil and at the same time, drive the oil to a producing well and pump it out in that way. This was the prime objective of the initial test. First of all, we had to heat and produce or what they call the huff and puff method and we were able to get substantial volumes of oil out. The big question was the economics. At the time the economics with a crude oil price in the \$3 a barrel vicinity, it made it not too attractive on the huff and puff method because we couldn't get the volume that we thought would be necessary to make an economic process. So the initial work was done on a 10 acre plot. . .

#047AK: These test wells, by their very nature were very closely spaced together and after all, it was a research project wasn't it?

VT: That's right. We were trying to establish the most efficient type of spacing so we tried close wells, wells very close together and well further apart.

AK: Of course, one of the points Vern was that Alberta really didn't have the real potential

that one would associate with say, the Gulf Coast or Saudi Arabia or Venezuela. It was Imperial's long term idea and pushed by you in Toronto to get on with the Cold Lake project. This has continued to the present day.

VT: That's right Aub. The reserves of Alberta were declining and we knew that we had to look in the long term at a very large new source of supply. Alongside the tar sands, Cold Lake looked to be a very good area to work on and to remove this heavy oil and upgrade it and use it to replace the conventional oil which had a tendency to decline. As you mentioned it was a long term project but as it's turned out, the time was necessary to do the research work and do the engineering and construction costing work to bring on this as a future source of supply.

AK: Another project that started up during your period as a Director in Toronto was the decision to go offshore in the Grand Banks area in partnership with Amoco. What were your reasons for pursuing this new avenue?

VT: My reasons were that it looked to be a very attractive area from a basin standpoint. After the preliminary seismic work had been done and we were given all the information from Amoco it looked as though we could have a Gulf Coast type of production from the effects of salt doming on structures and so on. And the more work we did, the more enthusiastic we became on the possibilities of it as a future producing province. It was therefore very disappointing that none of the wells that were drilled received sufficient encouragement to warrant follow-ups and it looks as though we are working in the wrong part of the Atlantic basin.

AK: One thing that you've told me is that during your period as Director in Toronto you were Imperial Oil's representative on the exploration, research committee which started up under the name of Carter and then Jersey and then Exxon. . . Esso, yes. And then during this time you were privy to innovative methods of exploration.

VT: That's right. This was a very interesting job in which all of the Exxon companies participate in a wide reaching program of both exploration and production research. Actually Imperial itself did some of the research work under the joint agreement in their lab in Calgary. The late Jimmy Young was very instrumental in carrying on some most important work on producing processes and so on and was highly regarded by all the technical research people in the Exxon company.

#099 AK: Another whole area that has turned out to be very interesting with a fair amount of gas in it, is the Mackenzie Delta with Imperial having filed on permits out to the 10 fathom line which turns out to be the 20 metre depth. You were responsible for seeing that some of that line got picked up from the federal government.

VT: That's right. After drilling 1 or 2 dry holes we were very optimistic when Atkinson Point came into production and indicated that there did seem to be good potential for sizeable oilfields in the general Beaufort area. It was extremely disappointing when subsequent offset wells came up dry and made the Atkinson a very local small accumulation. Since that time there hasn't been much encouragement in the mainland in respect to oil prospects, although there's some very large areas such as Tagloo, have discovered gas

and should become important in the energy requirements of the future.

AK: You ended your career with Imperial at the compulsory retirement age in 1971 and I'm sure there were a lot of people that were sad to see you leave with all the advice and help that you'd given them.

VT: Well, I was sorry to go myself Aub, because I could see we were starting in a very interesting new development in the Arctic and there was still work to be done on the east coast and the tar sands were progressing and Cold Lake was progressing. So the company was entering into a very exciting time as far as exploration and production was concerned and I regretted that I had to leave it at that time because I had followed it for so many years. I would loved to have stayed on but circumstances were such that I retired. I was quite ready to take life easy for a little while in retirement. Following my retirement I was interested in finding some other project or operations which I could contribute to and be interested in. I had been a member of the Alcoholism and Drug Addiction Foundation of Ontario for many years and continued on that work for several years after I retired. Also I became a member of the Board of an oil company for a period of a couple of years and had to leave that Board because there were age requirements. In addition I was able to help Imperial by representing them as a Board member on the Canada Safety Council and found that work interesting and challenging.

#147 AK: The oil company that you were on the Board of was CIGOL, that's Canadian Industrial Gas and Oil Ltd., which later became Norcen. But at that time did you tell me that Ed Galvin, who was then senior person with CIGOL invited you on the Board? You were telling me that you had some interesting trips, could you tell us a little bit about that?

VT: Yes. Ed Galvin invited me to become a member of their Board and I was very happy to do so. I was joining a group of very capable people and running an efficient organization. I enjoyed my work with them very much and they were most cooperative in any dealings I had with them. There were other members of the Board who were outside the oil business, it was a privilege to work with them and I was able to take a couple of interesting trips while a Board member of the CIGOL group. The CIGOL people had been invited to the christening or a semi-submerged drilling vessel in Oslo, Norway and we took advantage of their invitation to see that operation. Also some of the members of the Board hadn't been to the Arctic and Ed Galvin invited me to go on a tour of the Arctic Islands, which I welcomed very much because in my Imperial operations I'd only been on the mainland. So it was a most interesting trip taken at the time.

AK: I think Vern, we have pretty well covered your career. I do thank you very much for your willingness and cooperation in providing these valuable records. I'm sure that they'll be a permanent record for future people to work with and I'm sure that the Glenbow Archives will welcome these tapes, and thank you once again.

VT: Thank you Aub, I enjoyed meeting with you and remembering some of the interesting parts of my life in the oil business. I've certainly found it to be challenging and I've certainly never regretted the fact that I opted for the oil end of the geology rather than

the mining geology and hope that I was able to contribute a little bit to the companies I worked for and to industry as a whole. I had a very enjoyable life and would do it over again.

#189 AK: Thanks very much Vern. Now this last part of this tape I'm going to record from a record of an interview of an announcer. This is a 78rpm record made by CJCA as a result of an interview at the well site and it starts off with the noise of the well blowing in, and then Hal Yerkza interviewing the late Walker Taylor who was at the well site along with Vern. Here is the record.

#202 HY: That swishing sound you just heard was the Imperial Oil Ltd.'s #1 well at Leduc, Alberta coming into production. The oil started flowing under his own pressure at 4:00 this afternoon, Thursday, February 13<sup>th</sup> in what may be a momentous occasion in the oil world. Hundreds of people have been waiting here most of the day for this event to happen and they were certainly not disappointed. Suddenly, as they drew the swab up out of the 5,000' hole there was a burst of sound and great gush of oil and water, almost half way up the derrick. What you hear in the background now is that oil running into the pit at the side of the derrick. In a few moments it's going to be turned into a separator tank and the gas and oil separated, the gas will be burned and the oil will be taken where analysts can get at it and find out everything they need to know for the report, the official report that will be issued to the public in a matter of days. The Imperial Oil have been working on this well since about the middle of November when they started drilling and at 4,300' it looked very interesting. Another rig was brought in this area to make final tests so that the #1 rig could continue to go down to the original depth, the side of the pond, which was 5,066', the depth from which this oil is now flowing. I'm going to ask Mr. Walker Taylor, the western manager of the production department of Imperial Oil Ltd., who is at my side at the moment to give you a few comments now that this well is in production. Mr. Taylor would you care to comment on the well's possibilities and the possible size of the field now that this new baby has been born?

WT: It is much too early in the life of a well to make any statements of its productive ability. From the way it's now acting it would appear to have definite possibilities. Several holes will have to be drilled in an attempt to establish the limits of the productive area. Our company is most optimistic regarding the possibilities of the area and if this well stands up under tests we will possibly have several more rigs operating shortly.

HY: Thank you very much Mr. Taylor. We might tell you ladies and gentlemen, that in the past 10 years Imperial Oil Ltd. have drilled 144 holes in western Canada at a cost for each well of up to \$800,000. This is the best looking prospect so far. The well to date has cost approximately \$90,000 and is now in production, this is Hal Yerkza of CJCA, Edmonton.

#240 AK: That is the end of the record and there is some final comments after having visited with Mr. Taylor. He was made honorary member of the CPA in 1962. There are some old photographs of his graduating class, 1926 on the wall of his basement room with St.

John's College. This was the same place that Grant Sprat graduated from, Grant's picture is in the group too. There's also a 1946 gathering in Turner Valley to say good-bye to George Bourque and there are 4 rows of people, including the senior staff and many of the roughnecks and production people. A couple of points that Vern made are illustrative of Exxon's influence in Imperial Oil affairs. When Mike Hyder came up to Canada he immediately crossed swords with Ted Link and it was just a question of time before Ted left. Mike insisted that Bob Curran, formerly with Carter was the obvious choice to bring up to run the Imperial Oil operations. He did a poor job because he was vastly overrated and not well liked. Another example of internal warfare was when Jack Gallagher was brought up from South America and placed under Tip Maroney. Tip and Jack immediately struck sparks and Jack was relegated off to running Devon Estates. It wasn't long before he left to form Dome Petroleum. There was a strong inference that the decisions concerning the gas plant in Edmonton, using gas from Provost and Viking were New York decision. In a like fashion the decision as to whether to drill Imperial Leduc #1 was also a corporate decision with heavy input from Jersey. Perhaps this is the reason that Imperial lost all of its acreage back in the 60's and 70's and was forced to regain its land position on the insistence of Jersey, now Exxon, by taking a horrendously farm out from Canadian Hunter. Vern was never much of a fan for the Arctic and his judgement was overruled. He mentioned Don McGregor as having stated that the Atkinson thing was going to be big when it was badly faulted. And he merely cleared his throat when I mentioned about Jack Armstrong. Now Jack Armstrong is retiring next year and Don MacIver is coming back from New York to take over after having served his apprenticeship down there, he will take over as the chief, cook and bottle washer next year very likely. Vern complained when he was Chairman of the Board of Governors of CPA that American oil companies come up, started making decisions of all kinds that suited their purposes. He failed to mention that Exxon was very likely giving directions through its Toronto office to Calgary and Vern was the logical man to implement their impressions of how policy should be made. But in any event, he said that the CPA was an ineffective tool and lost credibility with the government back in the 1955-'58 era. Vern said he prepared some of the data from the Borden Oil Commission but had been transferred to Toronto by the time the Borden Commission sat in Calgary. Now this is the final end of the tape with some of these extra remarks. I am Aubrey Kerr and this is Friday, June 5<sup>th</sup>, 1981 in Toronto.