

THE BOOM: OIL, POPULAR CULTURE, AND POLITICS IN ALBERTA, 1912-1

by Paul Chastko

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“I’m Going to Go Through With It Even if it Leads to Jail:” George E. Buck of Black Diamond Oil Fields

Look, Alex, to rephrase Gertrude Stein, a promoter is a promoter is a promoter. If you don’t have a heart full of larceny, you’ll never make a promoter. The essence of being a promoter is to have your cake and eat it too. You do a deal that enables you to get a promotion going and the objective of all promoters is to wind up owning the deal, or most of it, without risking their own money.

—James Gray to Alex Freeman
Winnipeg, Manitoba
1937¹

Approximately one week before Calgary Petroleum Products Company struck oil, on May 8, 1914, Charles Tryon of *The Calgary News Telegram* broke the news that George E. Buck’s Black Diamond Oil produced a show of oil at approximately the same depth CPP had the preceding October. For Buck, the discovery did not come a moment too soon. Broke, with his house heavily mortgaged and payments in arrears to International Supply Company drilling the well, Buck was perilously close to losing everything. But rather than a fortuitous turn of luck, Buck’s salvation owed itself to a company-wide conspiracy to “salt” the well by pouring oil down the hole and claiming to strike oil. In the excitement that followed, Buck sold enough stock to keep his fledgling company afloat, saving himself and his family from financial ruin.

What enabled Buck to think he could get away with such a scheme? Part of the answer assuredly lies in the context of the boom of 1913–14, wherein what few rules there were seemed easy to break and largely free of consequences.

Certainly, the pro-business and small-government ethos that resulted in a lax regulatory environment made it easy for an individual like Buck to flourish. But Buck's evangelical Christian faith also imbued him with the conviction that he was both different from and superior to others. His search for crude oil embodied the spirit of "wildcat Christianity" defined by historian Darren Dochuk. At its core, wildcat Christianity describes the overlapping relationships Dochuk found among many independent oilmen between their faith, labour, business interests, and the church that do not distinguish between these different aspects of life. Buck's evangelism drew him away from the collective efforts at social reform of liberal Protestantism and pushed him toward a more personal goal of earning salvation through struggle and saving souls, one at a time, to earn spiritual rewards in the hereafter. Within his church, the lack of formal structures and hierarchy facilitated the elevation of charismatic speakers like Buck to positions of prominence. Unfortunately, it also allowed him to easily exploit his position of authority to further his own ends. Thus, when combined with evangelism's belief in an active God, and the inevitable return of Jesus Christ, it meant no time could be wasted. To search for oil, which necessarily meant studying the land, was to decipher God's work on earth. Thus, all work, whether drilling for oil, salting a well to raise additional funds, or preaching the gospel, was God's work.²



Between 1905 and 1915, the population of Calgary swelled from around 14,203 people to 58,000 as the result of federal immigration policies designed to attract settlers from the United States and Europe. While large numbers of farmers and ranchers still moved to the West, middle-class professionals, like grocer William Georgeson, insurance salesman George Buck, and reporter William Cheely, leavened their numbers. Calgary's growing population stimulated the growth of construction, processing, manufacturing, and service sectors as the local economy transformed the city from "Cow-town to Hub of Industry" by 1913.³

As historian Will Ferguson observed, Alberta "was very much a self-selecting venue. The West attracted misfits and outcasts, dreamers, schemers, eccentrics and oddballs, mountebanks, and moneymen. The restless. The lonely. The thirsty. Thirsty for something more, something better. Thirsty for life."⁴ Historian Gerald Friesen agreed, calling the prairie west "a land of new beginnings" whose people believed they had a mission to complete.⁵ The 1911 Dominion census reveals that the average Albertan tended to be a white male between the ages of twenty-five and twenty-nine. Compared to the

national average, Albertans tended to be slightly younger and more likely to be male. In the province, males outnumbered females 59 percent to 41 percent compared to the national average of 53 percent male to 47 percent female. Meanwhile, roughly 66 percent of Alberta's population was twenty-nine years old or younger with an average age of 26.2 years. With fully one-third of the population between the ages of twenty and thirty-four, the prolonged economic boom dominated their formative years. The preponderantly young, male population of the city ensured that by 1912, in the words of historian James Gray, "Calgary was in the process of becoming the booze, brothel, and gambling capital of the far western plains."⁶

At the age of forty, Buck transferred to Calgary as the superintendent of the Manufacturers Life Insurance Company. Due to the western land boom and the arrival of so many immigrants, Calgary was already a boom town when Buck arrived. The first thing to greet Buck in Calgary was likely the smell. Years later, newcomers recalled an unrelenting assault mounted on their noses because across the tracks from the Canadian Pacific Railway on 11th Avenue was the biggest horse barn in western Canada, housing sixty teams of draft horses. Reportedly, stable hands shovelled the manure into a pile on one side until it formed a small mountain before hauling it away. After it rained, the wind could catch the odour and spread it for blocks. Stockpiles of coal in the railyard shed soot and smells with every gust of wind that also stirred up the dust from unpaved streets. Once one was clear of the train station, the smell hardly improved. There were also fifteen livery stables, one for every other block, as well as twelve blacksmiths and the alleys behind the liverys piled high with manure. The narrow streets of downtown Calgary tended to trap the miasma of people and beasts. Directly opposite the train station sat the five city blocks of 9th Avenue, known officially as "Atlantic Avenue" and unofficially as "Whisky Row." Consisting of ten hotels—including the Alberta Hotel's reputed longest bar between Winnipeg and Vancouver (125 feet)—locals claimed all Atlantic Avenue needed to make it perfect was a long brass rail and spittoons at each end. Beyond Whisky Row and the businesses and shops of downtown Calgary sat no fewer than three known areas of prostitution where "saloons and houses of ill repute were cousins, with madams providing illicit whiskey to whet or quench the appetite."⁷

The only way such morally questionable behaviour could openly flourish was with the connivance of the local police, and for much of the province's first decade, both Calgary and Edmonton established reputations as "open cities"—that is, open to vices like liquor, gambling, and prostitution—despite the strenuous efforts of temperance and moral reform societies, making



Figure 4-1 “9th Avenue SW, Calgary, Alberta. Palliser Hotel and Canadian Pacific Railway Station are visible on left side”

The string of ten hotels along 9th Avenue, starting with the Palliser Hotel (top left) and across from the CPR train station (foreground, bottom left), known as “Atlantic Avenue” but more informally as “Whisky Row” due to the concentration of bars. (University of Alberta Library PC005483)

life on the prairies in the early twentieth century decidedly different from Buck’s strict upbringing in Ontario. Indeed, scandal rocked the Edmonton police force in late 1913 when Mayor-Elect William J. McNamara, a brash real estate promoter, dismissed the reform-minded chief of police, Silas H. Carpenter. Chief Carpenter, a former Montreal police officer with piercing dark eyes, bushy eyebrows, and an exquisite handlebar moustache, had arrived the year before and immediately launched a campaign to clean up the streets and tackle corruption in the police department. Within the first year, 2,500 drunks were arrested along with the keepers of four dozen brothels, their clientele, and dozens of opium users and vagrants. Carpenter’s exertions proved too effective for interests backing McNamara, led by Alderman Joseph Andrew (“Fighting Joe”) Clarke, whose patrons wanted a wide-open town—so long as it avoided the worst excesses. How could this be accomplished? Carpenter’s predecessor, and subsequent replacement, A.C. Lancey, later testified at a specially convened inquiry into Edmonton Police that he was instructed by members of city council to arrest prostitutes on the street

but to leave the estimated 300–400 brothels alone. McNamara furiously denied the claim.⁸

Carpenter's dismissal ignited a fierce public backlash, and by June 1914 McNamara abruptly changed tack and claimed he had fired Carpenter for being too lax. McNamara accused the former police chief of not only tolerating social vices (prostitution, drinking, and gambling) but turning a blind eye to the corruption of the Edmonton police force. Called by McNamara to testify before a public inquiry, Carpenter turned the tables and alleged the chair of Edmonton City Council's safety and health committee of coming to his office and saying, "You come from the east, and you must remember that conditions are different in western cities from what they are in the east. In western cities the people want houses of prostitution, and they want gambling houses."⁹

If Carpenter's accusation were true, it undoubtedly meant that Buck would be busy, because in addition to his job as an insurance salesman, he also happened to be a gifted and charismatic preacher for the Disciples of Christ and began proselytizing at the corner of 12th Avenue and 1st Street. At first, Calgarians did not know what to make of the group, misidentifying them as Mormons and then branding them a "fake" church, prompting a letter to the editor of *The Calgary Daily Herald* introducing the church and its beliefs to the city. "We include in our membership thousands of the best business and most talented professional men of every calling," and, the letter continued, the church included the late President James A. Garfield among its congregants.¹⁰ The sect sought to reconcile and unify the various strains of the Protestant Church based on the teachings of Christ from the New Testament. Described as possessing a "traditionally conservative evangelical outlook," the Disciples of Christ typically embraced the values of small-scale laissez-faire capitalism, individual responsibility, honesty, and frugality while eschewing traditional Christianity and its proclivity to elevate the clergy. Instead, the Disciples of Christ emphasized the individual's relationship with God and embraced the introduction of the social gospel, especially the notion of the scientific method and an emphasis on natural laws. Buck regularly preached in the Disciples of Christ's tent with subjects like "Winning Souls," "Almost Persuaded," and "Seek the Old Paths and Walk Therein," or led Bible studies.¹¹

In addition to his abilities to preach, Buck proved a larger-than-life man about town. According to historian John Schmidt, Buck was "an impressive talker who exuded confidence all over the place." Ambitious, enterprising, and extroverted, Buck modestly dressed in a black broadcloth coat and soft dark hat but usually worked a cigar, pipe, or chewing gum underneath his thin waxed mustache. As an active member of the city's automotive club, he

loved cars, particularly his red Dodge, and later an eighty-horsepower red McFarlan Six.¹² Although the insurance industry brought him to Calgary, by 1910 Buck branched out into real estate, founding B & R Realty Company with partner and fellow Disciples of Christ member Harry W. Ritchie. The partnership lasted a year before Ritchie resigned and left for Edmonton. Success in real estate led Buck to invest in coal mining when rumours spread that the CPR intended to construct a line from Montana to Calgary and then on to Peace River. In August 1912, Buck bought an interest in a coal mining property on Wolf Creek, but development only showed a coal pocket rather than a seam. By 1913, B & R Realty dealt in farmlands, coal lands, mining properties, and petroleum leases and moved out of the McDougall Block and set up offices in the Patrick Burns building, kitty-corner from City Hall, smack dab in the middle of the city. Buck's (modest) philanthropy—publicly donating one acre of land for the founding of a university in Calgary, and other charitable donations—placed him on the periphery of Calgary's first families. So, too, did his home in Lower Mount Royal—a scant three blocks away from that of Senator James Lougheed.¹³

It was also in 1912 that Cunningham Craig published the first edition of his influential book *Oil Finding*. Buck later claimed that this “standard work” convinced him of the value of “scientific geology” in the pursuit of petroleum.¹⁴ Despite boasting to one reporter that he identified potential drilling locations in 1912, it took Buck until June 24, 1913, to organize and register the Coalinga Oil Syndicate. A partnership consisting of Buck, his wife Ada, brother-in-law John A. Campbell, and cousin Jennie L. Earl, the Syndicate collected all the oil leases held by the four in exchange for a 25 percent stake in the partnership. An ad found in *The Natural Gas and Oil Record* reveals that Buck briefly attempted to sell 5,000 shares in the syndicate, but the company remained strictly a family affair. Coalinga called no formal meetings, kept no records of its decisions, nor, apart from appointing Buck director, did it have a formal executive council. Buck then organized Black Diamond Oil Fields on August 13, 1913, with all the members of Coalinga Syndicate listed as directors in the oil company. Initially capitalized at \$750,000, Black Diamond acquired one of Coalinga's leases for \$262,500. On paper, the deal saw Black Diamond pay Coalinga \$250,000 in shares (par value \$1) and \$12,500 in cash.¹⁵

The heavy debt burden from the purchase of leases caught the attention of the *Herald's* “floatation of oil companies” series, earning the company the dubious distinction of being the final company profiled on October 28, 1913. The *Albertan*, which usually reflexively countered the *Herald's* criticisms, largely agreed with its rival on this occasion, concluding “the offer is not at

all attractive Mr. Buck of the Diamond Oil Fields is paying Mr. Buck of the Colinga [sic] Oil Syndicate many times too much for the oil rights. In the second place the company does not have sufficient land. Altogether it is not a good proposition.” The critical articles slowed the number of investors willing to place their money in Black Diamond Oil Fields—the company sold roughly 5,000 of the 75,000 shares for a dollar each—so Buck began borrowing from friends and family to finance drilling on the lease. By November 29, 1913, he finally scraped enough together to convince Tiny Phillips and W.R. “Frosty” Martin of International Supply Company to begin drilling the first of three wells on the lease before Christmas 1913.¹⁶ Under the terms of the contract, International Supply Company agreed to drill the well to 1,500 feet at ten dollars per foot in return for \$13,000 payable in three installments—an \$8,000 payment to start work with another \$3,000 due when the well reached 500 feet and \$2,000 due at 1,000 feet. Buck’s company also agreed to supply all the necessary coal and water to fuel the boiler.¹⁷

Unusual developments and strange happenings dogged Black Diamond from the start, and George Buck proved particularly adept at drawing attention to himself and his company, although not always for the right reasons. Buck’s juvenile sense of humour and penchant for practical jokes suggest he was not entirely a stable business partner. When the cartage team delivered the construction materials for the derrick to the well site in December 1913, they encountered a woman armed with a gun who told them that she owned the mineral rights to the land and threatened to blast the men to kingdom come unless they got off the property immediately. When they stood their ground, the armed lady lowered the weapon and claimed Buck hired her to put on the performance.¹⁸ On another occasion, when the company desperately needed cash from stock sales to continue operations and discussions between Buck and a selling agent reached a critical phase, Buck reported that the conversation ended abruptly because his pipe exploded; someone loaded it up as a joke.¹⁹ Events like these fuelled rumours that Black Diamond and George Buck were not really interested in drilling for oil. Nevertheless, Black Diamond #1 spudded in on December 1913, meeting Buck’s deadline, but real drilling started on January 29, 1914. Shortly thereafter the company began an aggressive push for attention, promising to drill day and night (as did most other drilling outfits). What is striking in retrospect is how quickly Buck pivoted from charming, confident, circumspect businessman to outrageous promoter.

The charm offensive began in late January 1914. At a meeting of Black Diamond’s directors on January 30, Buck’s friend, Edward Henry Crandell,

became a voting trustee of the company and proxy shareholder. If the goal was to project stability and competence, Buck clearly chose well. A well-connected, wealthy developer and “captain of finance,” Crandell was born in 1858 in Fort Perry, Ontario, to parents of United Empire Loyalist stock. He built his reputation first as the owner and proprietor of a general store in Brampton for twenty years and serving as a city councillor, auditor, and two-term mayor of Brampton (1897, 1898) before joining the Mutual Life Assurance Company of Canada and moving to Calgary as general western agent. In short order, Crandell became one of the most successful insurance and real estate businessmen in the city. As his wealth and stature increased, so did his business interests, adding the Alberta Sewage Pipe Company, the Jackson Wood and Fuel Company, and the Calgary Tent and Mattress Company. Crandell also dabbled in the early exploration for oil in Waterton, as part backer and president of the original Discovery Oil Company that in 1905 held leases near Waterton Lakes. Within a decade, the lake and 7,812-foot mountain near the well site were named after him. Despite an expanding business empire, Crandell also retained his interest in politics, serving as a local school board trustee and one term as city councillor (1914–1916).

Crandell’s most enduring legacy emerged from the 1905 purchase of Calgary Pressed Brick and Sandstone Company in the town of Brickburn, then five miles west of the city of Calgary, now the community of Edworthy Park. By the turn of the twentieth century, brick served as the primary building material for the many cities and towns across the prairies, and Crandell produced the material for many of the city’s iconic buildings, including the Lancaster Building, the Capitol Theatre, and the Mewata Armoury. Crandell expanded operations to a fifteen-kiln plant producing 45,000 bricks per day—well below its daily capacity of 1.5 million. But Calgarians—and many others around the world—are more familiar with another feature of the 400-acre site. Just off the Old Banff Coach Road and overlooking the Bow River, Crandell built a three-storey, twenty-two-room red brick mansion that initially served as the family’s summer cottage and then permanent residence. The family called it “Varsity Heights” until 1920, when the Crandells leased the house and thirty-two acres to the Red Cross for \$2,700 per year to serve as the Soldiers’ Children’s Home for sixty orphaned and convalescing children. The mansion reverted to a private residence when, in 1951, wrestling promoter Stu Hart bought the house and raised his family there.²⁰

As for Crandell, his active involvement with the United Church, the YMCA and YWCA, and the Conservative Party, among other charitable endeavours and organizations, projected calm and predictability absent from

Black Diamond's other directors. Two days later, on February 1, the charm offensive continued as Buck invited a few guests, including W.S. Herron and William Elder, to the derrick by car for dinner and a demonstration, generating a small mention in the *Albertan* to go along with a full-page ad addressing itself "to intelligent people who do their own thinking and who know what's what." Somewhat disarmingly, it acknowledged public and private criticism of the company's methods, "some [of it] fair and some most unfair and downright ignorant of everything pertaining to petroleum and its finding." Promising a "square deal in oil," Buck emphasized the company's honesty and integrity, pointing to the appointment of Crandell as trustee and the retention of geologist J.H. Sinclair of California as evidence of the company's goodwill and seriousness.²¹

The following day, Buck took out two ads in the *Albertan*. The first one on page seven proclaimed "everybody enthusiastic about Black Diamond," striking an optimistic, if slightly braggadocious tone that, among other things, claimed the Dakota sands, "the acknowledged reservoir of petroleum in these fields," sat only 400 feet from the surface and that the 640 acres owned by the company will "be easily worth \$3.2 million" when they struck oil in "30 to 45 days from this date."²² The second ad, on page nine, started innocuously enough with Buck claiming he was so pleased with Black Diamond's progress and was so confident of "striking oil in large commercial quantities" that "I do not want to sell one more share of Black Diamond stock at present prices than is absolutely necessary to carry on Black Diamond drilling." To raise capital, Buck, who was not involved with Devenish's much larger United Oils company, apart from owning 1,000 shares in it, offered to sell those shares in United for half the par value of ten dollars. To further turn the screw on his competition, over the next ten days Buck took out successive ads claiming that no one had bought his United shares and began dropping the price in increments until his erstwhile partners, Harry and Ida Fenner, who between them claimed one-third ownership interest in the shares, filed an injunction to prevent him from selling any more.²³

Buck understood viscerally that the cutthroat competition between companies tapped into deeply rooted social and cultural forms that have, as historian Brian Black has pointed out, shaped the industry since the nineteenth century.²⁴ In 1914, no level of government established production limits on the amount of oil any single company, promoter, or wildcatter could produce. Buck understood that the industry rewarded and celebrated the ruthlessly independent, rational, free enterprisers among them. Furthermore, in the absence of any other restraint imposed by government, theoretically only three

things limited how much oil a promoter or wildcatter could produce: the rule of capture, oil's existence as a liquid under pressure, and petroleum's fugacious qualities. The rule of capture governing North American petroleum development held that whoever brought oil or natural gas to the surface first, owned it. Given that petroleum deposits often extended over a larger area, several leaseholders likely tapped into the same pool, providing an immediate incentive to drill aggressively with as many wells as possible to produce the reserves first. In the Black Diamond field, Dingman #1's well (Section 6, Township 20, Range 2 West of 5th) lay three miles east of both United Oil's well (Section 3, Township 20, Range 3 West of 5th) and Black Diamond #1 (Section 34, Township 19, Range 3 West of 5th); less than a mile separated United's well from Black Diamond #1. As the *Herald* observed in the late spring, "It is thus apparent to the layman that the wells are all in the same general zone."²⁵ The full implications of the rule of capture become plain upon consideration of oil's existence as a liquid under pressure and its ability to migrate from one area of a deposit to another.

But competition between promoters and would-be oil barons had to be carefully managed. Southern Alberta's oil and gas community (excluding brokers) remained comparatively small—maybe a couple of hundred people in total, from drillers to promoters and financiers. Everyone knew each other. They lived in the same neighbourhoods, sent their kids to the same schools, shared office space in the same set of buildings, and served on one another's board of directors. These circumstances produced a largely insular and self-referential oil patch wherein today's business rival could easily be tomorrow's partner. O.S. Chapin illustrates the point. As one of the original backers of Calgary Petroleum Products, Chapin became a member of the board of directors. But he also invested in William A. Georgeson's Monarch Oil, and Oscar Devenish's United Oils, serving as a director of these two companies as well, even though they were competitors with Calgary Petroleum Products. As the feud between Herron and Dingman revealed, infighting between erstwhile business partners could, and did, take place and participants sometimes turned to the courts for relief. For the most part, however, disputes generally observed a sense of proportion. Dingman, for example, always ensured Herron received proper acknowledgement for his pioneering work on the Turner Valley oil field, despite their personal difficulties.

If the rough-around-the-edges Buck knew these unwritten rules existed, he did his best to ignore them. In Buck's case, his evangelism enabled him to conceive of business generally, and the oil boom specifically, as a zero-sum game where the ends justified the means and winning necessarily meant

someone else lost. A no-holds-barred brawler who enjoyed a good fight, Buck did whatever it took to win. In early 1914, after filing the paperwork to incorporate Black Diamond Oil, Buck refused to pay the law firm used to prepare the papers and was promptly sued by the lawyer for non-payment. Naturally, Buck retained arguably Calgary's most famous law firm, Lougheed, Bennett, McLaws, to represent his interests during his very litigious spring and summer of 1914. Buck rewarded their exertions on his behalf by suing them at the end of July for charging too much.²⁶

The feud with United Oil and Oscar Devenish, however, proved particularly nasty, prompting local newspapers to refer to it as "the oil wars." What prompted Buck's feud with United Oils? Part of the answer lies in the fact that the two companies were uncomfortably close to one another. Not only did they occupy office space in the Burns Building, but their respective wells were also adjacent to one another, less than one mile apart. In August 1913, Buck initially asked Grant S. Wolverton, then in the employ of Devenish and a director in Devenish's real estate business, to serve as president of Black Diamond Oil Fields. Failing that, Buck asked Wolverton to serve on the board of directors. To help convince Wolverton, Buck and the Coalinga Syndicate transferred 10,000 of Coalinga's 250,000 shares in Black Diamond to Wolverton, unevenly divided between two certificates—one for 8,000 shares, the other for 2,000. Given that Wolverton had worked with Buck on getting Black Diamond up and running, Buck believed the deal was all but done, and even filed a prospectus listing Wolverton as president with the provincial registrar on August 14, 1913.²⁷ But Wolverton, a vice president in Devenish and Company, wanted additional changes incorporated into the prospectus, as well as having it vetted by a lawyer. After carefully considering the offer, and talking matters over with Devenish, Wolverton refused both positions at the behest of Devenish. Ultimately, the decision likely came down to choosing between doing business with Devenish or George Buck. As a divorcee with a son in college in the United States, Wolverton opted against making a big change. Days later, at the launch of United Oil, Wolverton became one of its directors.²⁸

Wolverton knew the 10,000 shares were part an incentive package for assuming an executive position with Black Diamond, so he returned them to Buck at a meeting in early November 1913. Subsequent accounts of the meeting sharply diverge in tone and substance. Wolverton claimed Buck was both gracious and appreciative of the work Wolverton did for Black Diamond, especially on the prospectus. According to Wolverton, Buck accepted the return of the certificate for 8,000 shares but not the one for 2,000, saying

Figure 4-2
“Important
Announcement”

The ad that
started the
Black Diamond/
United Oil Feud.
(University of
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and Cultural
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IMPORTANT ANNOUNCEMENT

ON OIL

Personally, since my visit to 34-19-3 W. 5, Sunday, I am so absolutely confident of the early striking of oil in large commercial quantities on the property of the Black Diamond Oil Fields, Limited, where drilling is now in active progress, fully 30 to 45 days ahead of all others—Dingman and Segur not excepted—that I do not want to sell one more share of Black Diamond stock at present prices than is absolutely necessary to carry on the Black Diamond drilling. Therefore

I hereby offer for immediate sale at only ONE HALF the par and selling prices (\$10 per share)

1,000 Shares UNITED OILS

At only \$5 Per Share

In any quantity desired, delivery of stock subject to escrow, the proceeds from which will be immediately put into the drilling of the well now rapidly sinking on the property of The Black Diamond Oil Fields, Limited.

(Signed) **GEO. E. BUCK,**
114 P. Burns Bldg., Calgary.

that if Wolverton could not be a director he would like to keep Wolverton as a shareholder, and refused to accept its return.²⁹ Buck, however, remembered the meeting quite differently, claiming that Wolverton told him Oscar Devenish did not want him serving on Black Diamond’s board of directors and Wolverton had caved in to the demand. Buck also claimed Wolverton wanted to return the 10,000 in shares, saying “he had not done anything to earn it” and only returned the certificate for 8,000; according to Buck, Wolverton claimed he could not find the certificate for 2,000 shares and promised to return it once found.³⁰

The Natural Gas and Oil Record revealed another motive for the bur-geoning feud. The surface rights holder of Section 34, the location of Black Diamond #1, claimed Buck did not have his permission to enter the prop-erty and that United Oils held the rights, assertions Buck vigorously denied

in a three-quarter-page ad in the *Albertan*. In retaliation, Buck announced that he had acquired the surface rights to 1 percent of all United Oil leaseholds. Inevitably, the matter found its way into the courts, where Buck had a caveat issued on the contested Black Diamond leaseholds after he produced an agreement signed by Harry Denning granting the right to purchase the surface rights. United Oils produced its own agreement claiming ownership, and when questioned by *the Albertan*, Buck dismissed United's claims out of hand. "If they have bought anything of this kind, they have bought something from someone that cannot deliver. I have the papers. I let the other fellow do the worrying about such things. I am content to do the drilling." But in the interim, Buck's former lawyer, William Morris, sued Buck for false pretenses when the cheque he sent as payment bounced because of insufficient funds, and had Buck arrested and hauled before a judge. Buck's friends immediately leapt to his defence, claiming persecution. "Mr. Buck has had the nerve and courage to attempt to develop the local oil resources and we are of the opinion that there is an element of persecution in this action," claimed one before adding, "One hundred Bucks with 100 drills dropping might help make of the Okotoks oil fields a second California." Once before Judge Colonel Sanders in police court, the charges were dismissed after Buck managed to convince the court he had made a mistake about the amount of funds in the account.³¹

Buck's defence, and Black Diamond's advertising campaign, elicited pointed remarks from *The Natural Gas and Oil Record's* gossipy "Sprays from the Derrick" column. "With a crazy man mixed up with all this wet gas and making us dizzy with the prodigious profits to follow, is it any wonder that we cannot keep track of our bank accounts?"³² The remark may have soured relations between the paper and the company because after March 7, 1914, Black Diamond Oil Fields no longer appeared in the *Record's* directory of oil companies. Shortly thereafter, the injunction against Buck's sale of United Oil shares lifted and Buck promptly began selling them for one dollar per share. In the meantime, the lawsuit between United Oils and Black Diamond over the surface and mineral rights to Section 34 seemingly resolved itself in the middle of March when Oscar Devenish and United Oils withdrew their complaint against Black Diamond. Less than a week later, however, Devenish sought a new caveat on Black Diamond's lease, enabling Buck to continue running attack ads trumpeting Black Diamond's success.³³

Typical ads for Black Diamond used what is known in advertising circles as the Barnum style advertisement. Named after Phineas T. Barnum, the Barnum style attempted to entertain, amuse, and divert its audience and saw advertising as a catalyst designed to gain rapid and widespread publicity.

Figure 4-3
 “Heart-to-Heart”

George Buck used advertisements like this to sell stock and keep Black Diamond in the public eye in the winter of 1913/14. (University of Calgary Libraries and Cultural Resources CU1701176)

a heart-to-heart talk on OIL (read EVERY word of THIS)

---the real **PIONEER OIL** development company in all Southern Alberta---or **ALL Alberta**---as everybody **NOW** knows, is **THE ONE** that started **REAL OIL-FINDING FIRST**.

---the **FIRST** company to start on a real scientific **ANTICLINAL** location, with **AT LEAST ONE THOUSAND FEET LESS** to go to the **REAL OIL-BEARING STRATA**, was **BLACK DIAMOND**

---the **FIRST** company to let an oil-drilling contract by **THE FOOT**---not by the **YEAR**---to a **FIRM OF COMPETENT, EXPERIENCED, SKILLED DRILLERS (MARTIN & PHILLIPS)** was **BLACK DIAMOND**.

---the **FIRST** people in **ALL** Alberta to get and **FOLLOW** the advice and information of **GUNNINGHAM CRAIG, B.A. F.R.S.**, the greatest oil-finding authority and expert of the British Empire, or the whole world, were those of **BLACK DIAMOND**.

---the **FIRST** people in **ALL** Alberta to get busy and select the **ABSOLUTELY BEST** anticlinal **OIL LAND** when practically **EVERYTHING** in **ALL** Alberta was **WIDE OPEN** for filing, were those of **BLACK DIAMOND**.

---to **Wonder, THEN**, after a year or more by **OTHERS**, of guessing and trying, experimenting and discovering (!), **BLACK DIAMOND**, which started **ACTUAL DRILLING** less than **TWO MONTHS** ago, is **ALREADY** fully 90 days **AHEAD OF ALL OTHERS** in the golden quest for **OIL**---the **BIG FLOW** that makes **MILLIONAIRES** over night.

---so **wonder, NOW**, that **BLACK DIAMOND**, with all its rapid progress and favorable developments, in its **FIRST WELL**, is **NOW** being grabbed at and **greedily** coveted by **greedy** persons. We believe **O. G. Deneish** and his associates have **ABSOLUTELY** no more just claim to **BLACK DIAMOND'S** property than **YOU**, the reader of **THIS** announcement, have to the Dominion Government post-office site in Calgary, to the **Provincial Government's Land Titles Office**, or to the **ROAD ALLOWANCES** of Alberta---and not **HALF** as much. **Deneish**, therefore, has **NO RIGHT** whatever to the **ANY** caveat or claim on **BLACK DIAMOND**. Yet **O. G. Deneish**, **NOW** realizing the **GREAT VALUE** of **acquiring** as the **ABSOLUTELY BEST OIL LAND** in the whole region, and **greedily** coveting the development **ALREADY DONE**, and further realizing from our progress reports of well number one to March 10th, that **BLACK DIAMOND** was on the eve of announcing a great **OIL STRIKE**, filed a caveat on **Black Diamond's** property. The Minister of the Interior and the Minister of Justice of Canada, and all the best legal opinion of Calgary, are **ALL** fully agreed that **O. G. DENEISH NEVER HAD** any more claim to **BLACK DIAMOND'S** property than a **JACK RABBIT**.

---nearly **EVERY** valuable **PIONEER** mineral location, in the **EARLY** history of practically **EVERY** mining camp of **GENUINE MERIT** has **slightly** been situated by **greedy** and unscrupulous **"CLAIMANTS"** **BLACK DIAMOND**, the **PIONEER OIL** company of Calgary, is **NO** exception. **THE CROWN AND COURTS** of **CANADA** and **ALBERTA**, however, will **equally** clear the air and put the claimant where they properly belong.

---when the title to **BLACK DIAMOND** is cleared and **ABSOLUTELY CROWNED** as it will be in the course of a few days, thanks to our excellent solicitors, Messrs. Longest, Bennett, McLean & Co., and the justice of our **GROWN AND COURTS**---we will be able to announce for the benefit of our shareholders the very favorable developments in

BLACK ♦ DIAMOND

Well Number One since March 10th, when the depth attained was 834 feet, and the drilling was in a hard cap rock.

---should we make our announcement earlier, while the **CAVEAT CLOUD** hangs over **BLACK DIAMOND**, our shareholders would be at a great disadvantage in cashing in at a proper profit on their enterprise and initiative in getting into the **PIONEER OIL** company and driving the drill downward day and night with their hard-earned dollars on the **ABSOLUTELY BEST OIL LOCATION** in **ALL ALBERTA** to **PROVE BLACK DIAMOND**. Such an announcement **NOW** would give an **enormous** advantage to every non-striking, non-holding or merely **PAKE OIL** (?) company having **NO** intention whatever of drilling, in flooding the market with their very questionable or worse-than-useless stocks and **INSECURITIES**, and thereby defrauding the public of the expense of **BLACK DIAMOND'S DRILLING AND DEVELOPMENTS**, while our shareholders would be holding **BLACK DIAMOND** shares **WORTH** perhaps \$30000 **A PIECE!** but available for possibly not \$2000 per share. **BLACK DIAMOND** is determined to protect the interest of **EVERY** shareholder in every possible way. **BLACK DIAMOND** is a **SQUARE DEAL** organization from A to Z, and is **SO FAR AHEAD** (at least 90 days) with the **DEVELOPMENT** work, that **ALL** our shareholders are **well pleased** and prepared to wait **TWO WEEKS**, or a little more if necessary, for **THIS** announcement.

---under these circumstances, which crop up in practically **EVERY** new mining field of **REAL MERIT**, and which in the **CANADIAN COUNTRIES** are quickly and justly cleared, we feel that **BLACK DIAMOND** can much better afford to raise the needed capital for drilling and development **ALREADY DONE** by offering shares at only \$2 per share than most of our shareholders could afford to part with their shares or even a small part of them, at even many times that price per share.

On the printed page, the Barnum style would “manifest an expansive use of space, brash layouts, a liberal use of ornamentations and cuts, and a disorienting variety of typefaces.”³⁴

With Buck’s legal troubles abating for the time being—they never fully went away—he could now focus his attention on raising capital to fund the company’s development program. Buck ran an extensive and aggressive ad campaign in local papers to generate interest through most of February and into March 1914. But sales of Black Diamond stock remained sluggish. In early March, Buck brought in Norman Fletcher, an accountant from Medicine Hat, to audit the books. Fletcher quickly discovered that Buck and his company were on the brink of bankruptcy. Buck and Black Diamond did not have the cash on hand to make the balloon payment owed to the drilling company, International Supply, once they completed the well to the contracted depth of

1,500 feet. Stated simply, Buck needed drilling to slow down to give him more time to raise the money he owed. Operating at arm's length, Buck ordered Fletcher to ask driller Hayes to only drill a few feet per day. Hayes initially refused, arguing there had already been too many delays and he doubted he would be able to keep his job if he failed to make further progress. But Hayes soon knuckled under and slowed the drilling. After making excellent progress, the well agonizingly lingered above the 1,500-foot threshold for weeks, drawing the notice of *The Natural Gas and Oil Record* on April 25, which wrote, "Geologists and others are up in the air about conditions at this well," as reports still had Black Diamond in sandstone.³⁵

The bigger problem affecting Black Diamond was that the company was chronically underfunded. The company's prospectus revealed that directors authorized 75,000 shares of capital stock for sale to the public, but the board of directors later reduced this to 50,000 on January 30, 1914. By early May, the balance sheet revealed only 17,715 shares sold, 12,000 of which were to four salespeople—Norman Fletcher, Major Gillespie, E.H. Crandell, and C.L. Whyte—reselling shares for Black Diamond. With a par value of one dollar per share, this left the company with little wiggle room to cover the contracted payment of \$13,000 to International Supply and operational expenses. In desperation, Buck pulled Black Diamond stock off the market, perhaps to stimulate stock prices by creating an artificial shortage. But share prices did not budge.³⁶

Buck's monetary crisis prompted him to think creatively and led to a multi-pronged conspiracy to inflate stock prices that featured salting the well to simulate an oil strike. Preparations to salt the well began at least a week before a scheduled official measurement of the well's progress by Black Diamond's more sober and trustworthy face, company director E.H. Crandell. But Buck could not proceed until International Supply Company's driller, J.H. Hayes, signed off. At first, Hayes remained steadfast in his objections. But after Buck raised the issue "three or four times," Hayes finally relented. A relieved Buck told Hayes that he would salt the well on May 7.³⁷

In the meantime, accountant Norman Fletcher became suspicious when two or three one-gallon cans of crude oil and gasoline arrived at the office. "We did not have any cattle or sheep to dip," reasoned Fletcher, referring to the concoction used by shepherds and ranchers to protect livestock from infestations, "and that is what it is used for." Instead, Fletcher later testified that Buck seemed to be experimenting with the oil and gasoline, blending the two together until "it resembled something that came out of the southern Alberta field." It was messy work, and Buck left traces of his various concoctions all

over his desk in his private office. After some experimentation, Buck proclaimed he had found a good mixture and began showing it off to the people in the office. On May 6, the day before salting the well, a visibly agitated Buck gathered everyone together for a meeting. The company teetered on the verge of bankruptcy but Buck nonetheless believed there was enough money in Calgary to salvage Black Diamond Oil Fields. All they needed to liberate that investment capital was an oil strike—or have people believe they struck oil—within the next week. But how could Buck guarantee an oil strike within the necessary time frame? With that, Buck laid out his plan to “salt” the Black Diamond well to sell more stock and keep the drilling rig operational.

Stunned, Fletcher and advertising manager Harry C. Beattie protested the proposal as fundamentally dishonest, but they were in the minority; the rest of the gathered employees readily agreed to the plan, including Buck’s mother-in-law, Elizabeth Beaty. Beaty, like her daughter and son-in-law, had invested heavily in Black Diamond Oils. If the company failed, she would lose everything. Buck then asked Norman Fletcher to help deliver cans of oil to the well. Fletcher refused and told Buck he was on the verge of committing a very serious offence. If Buck went ahead with the scheme, warned Fletcher, he was prepared to quit. Harry Beattie also urged Buck to reconsider. “Leave everything to me,” Buck now told his fellow conspirators. “I’m going to go through with it even if it leads me to jail.”³⁸

After the meeting broke up, Fletcher and Beattie left the office to discuss the morning’s events. Over lunch, Fletcher adamantly said he would not take part in the plot, but Beattie began to waver because he had sold considerable volumes of stock to his friends and family. What would they do if the company failed? If it meant saving the company, Beattie now said he would help Buck “dope the well.” That afternoon, more preparations took place, with Buck securing somewhere between ten to twenty gallons of distillate from Ray Lee, the owner of Diamond Motor Company. At five o’clock, Buck announced that he was going to the well and again asked Fletcher to accompany him. “I took sick right after dinner,” said Fletcher, so Buck got Major Gillespie, a salesman with Black Diamond, to go with him. Gillespie brought Buck’s car around. In the back of the vehicle, Fletcher saw motor rugs covering something up. After Buck and Gillespie left, Fletcher collected himself and left for Medicine Hat.³⁹

That night, Buck and Major Gillespie arrived at the well site only to discover that driller Hayes now had cold feet. At the last minute, Hayes left a written note in the derrick forbidding Buck from salting the well and claimed his conscience compelled him to try one last time to stop Buck. The driller later said, “I made up my mind I didn’t want nothing to do with the deal.”

Hayes testified that Buck came to his tent after finding the note around midnight and sat down on the corner of the driller's bed to talk for the better part of an hour. A despondent Buck tried again to convince Hayes that salting the well was the only option. "He said he would lose all of his property, and his home was mortgaged and he would have no place for his family, and so I told him that the boys [the tool dresser and the fireman] could put it in in the morning." Buck then told Hayes that he had the oil with him in tins and would leave them out. The next morning, sometime between five and six o'clock, Hayes ordered Roy Minue and Lafe L. Tyrrell to pour several gallons of the oil and gasoline mixture provided by Buck into the bailer, claiming that orders to do so came directly from Buck. Minue and Tyrrell lowered the bailer to the bottom of the well and mixed the concoction with a hand pump. After removing the bailer, they then ran the tools down the well and "discovered" oil and poured it into a barrel. A couple of days earlier, Buck had asked Fletcher if Billy Budge, another watchman, could ride on horseback to the Black Diamond post office to phone Buck and deliver a coded message—"Paul"—to signal "oil is found." Fletcher responded that Budge would follow instructions.⁴⁰ After it was done, Hayes later testified that Buck gave some stock to "all the boys" for salting the well, including 500 shares for Hayes himself.⁴¹

Later that morning, Buck invited Charles Tryon, the managing editor and reporter for *The Calgary News Telegram*, out to the well along with city council member Freeze to witness E.H. Crandell's measurement of the well's depth. Tryon originally knew Buck as a client with an advertising account at the *News Telegram*, but the two began having more conversations about the oil business as time went on. Over five months, Buck cultivated a friendship with Tryon, supposedly taking the newspaper man into his confidence and telling him "secrets" from the business. Buck showed Tryon soil samples from the hole and attempted to teach the reporter about the geology of the field. Tryon, however, could never quite fully grasp what Buck said except for the promoter's belief that the company would strike oil. When Buck asked if he would like to visit the well personally "when the time came," Tryon eagerly accepted the offer. Thus, at around ten a.m. on May 7, Tryon joined the party heading out to the well by automobile. Upon arrival, the group headed straight for the derrick, where Buck introduced the crew before showing the group a barrel of oil supposedly taken out of the well the night before. Buck also ignited gas from the well before removing some oil from a barrel, throwing it on the grass and setting it on fire. With the demonstration complete, Buck then took Freeze out to inspect the sluice running into the creek, leaving Tryon

alone with the head driller, J.W. Hayes. Tryon asked Hayes a few questions but found the driller tight-lipped; Hayes later admitted, “I didn’t have much to say about it. I was drilling then and working.” Tryon also remembered walking down to the stream and seeing indications of oil along the banks.

Shortly thereafter the visitors got back into the car for the trip back to Calgary. Sitting next to Buck in the front seat, Buck asked Tryon for his assessment and the reporter responded that it looked like Black Diamond Oil Fields #1 had found oil. Buck then urged Tryon to phone his editor, Charles Hayden, to arrange a special edition of the *News Telegram* announcing the find. The reporter declined, responding that he would prefer to report it personally. Nonplussed, Buck pressed him to phone the report in from Black Diamond or Okotoks. Once again, the reporter demurred, this time telling Buck they had missed the deadline for the regular edition, only to have Buck press Tryon to call for an “Extra” edition. Told it would cost too much—between \$50 and \$500 to print—Buck said he would cover the costs and even offered the reporter a couple of hundred shares of Black Diamond for his trouble. Perhaps Buck tried too hard, or maybe the blatant bribe attempt raised Tryon’s hackles, but something the reporter heard or saw did not add up, and Tryon refused, opting instead to return to the city. Tryon recalled that the rest of the trip home took place in silence. Back at the *News Telegram* office, Tryon asked for one of the sealed oil samples from the well, but Buck refused with no explanation. Tryon filed what Buck termed a “brief and unsatisfactory account” buried deep in the paper the next day on May 8. An obviously irate Buck called Tryon personally to complain. The *News Telegram* “didn’t give him the write-up that was expected,” testified Tryon, adding that Buck said, “They could get it from the *Albertan*.” In the meantime, Crandell gave an upbeat assessment to the *Herald* for its May 8 edition, describing his visit to the well. “I firmly believe that the drillers have struck a small flow of crude oil,” Crandell told the *Herald*.⁴²

None of this satisfied Buck. Determined to secure more favourable publicity to drive up stock prices, Buck contacted William Davidson of the *Albertan*. Unlike the *News Telegram*, the *Albertan* carried a front page story about Black Diamond’s “find” in its May 8 edition even though its reporter did not visit the well with the rest of the party on May 7. To the *Albertan*’s reporter, either in person or on the phone, Buck claimed the well had struck a strong seepage three weeks earlier and when the crew raised the bailer that morning the showings of oil were so prominent that they sent the private code to bring Buck out to Black Diamond #1 for an inspection. “We’re happy enough tonight,” said Buck. “Ours is the first well to reach the Dakota sand

and the first to strike oil in the crude in Southern Alberta. We claim Black Diamond well No. 1 to be the real discovery well.”⁴³ After a quick conversation, Davidson told reporter and managing editor William (“Bill”) W. Cheely that Buck would take him out to the well site. Cheely later recalled that within fifteen minutes the managing director of Black Diamond Oils arrived at the *Albertan’s* offices to pick him up.

The son of a merchant, William Winbourne Cheely was born in Denver, Colorado, on February 29, 1868, and grew up amid a changing west marked by periodic mining booms, so-called “Indian campaigns,” and cattle trails headed north from Texas. Although he was born in Denver, Cheely’s formative years largely took place in rough-and-tumble mining camps. Widely beloved by his colleagues as a true character and storyteller, Cheely claimed as one of his earliest memories seeing an entire mining camp escort a man accused of some kind of infraction. When they reached the outskirts of the camp, someone told the condemned man to run. When he did, a hundred guns opened fire, practically tearing the victim to pieces.⁴⁴ “He was something of a wit and a raconteur, having an inexhaustible fund of droll stories with which he regaled his friends and cronies,” wrote the editorial page of *The Montana Standard* upon his death in 1939.⁴⁵ Wherever Cheely worked, he became a staunch “booster” of the community and its business interests. With his keen sense of humour and ability to craft a grand narrative story, Cheely rarely seemed to meet a person he could not get along with. In 1936, the *Great Falls Tribune* reported that Cheely celebrated his sixteenth birthday with fifty friends. He claimed the younger age because his birth in a leap year provided him a birthday once every four years.⁴⁶

In 1911, Cheely joined the staff of *The Calgary News Telegram*, establishing himself as an excellent reporter with a fine sense of humour. The *Albertan’s* Davidson remembered noticing Cheely’s writing when the reporter published a report of a speech made at the Women’s Canadian Club. “These were the early days of women’s organizations in Calgary,” recalled Davidson. “For some reason the officials of the club were very shy of the press and placed a ban on reporters.” Cheely hid in the pantry to listen to the speech, and his subsequent report “gave a very interesting running story of the happenings, together with some details of his stay in the pantry.” The following year, in 1912, William Davidson brought Cheely on board as the managing editor and a reporter for *The Morning Albertan* to boost circulation.⁴⁷

Cheely had spent the first twenty-two years of his career in the newspaper business bouncing around the United States as manager and editor of different newspapers between Butte, Montana, and Minneapolis, Minnesota.⁴⁸ To *The*

Morning Albertan, Cheely brought a distinctive, tabloid/sensationalist style resembling the evolution of journalistic style brought to urban daily newspapers in the United States by James Gordon Bennett and Joseph Pulitzer, emphasizing stories and personalities over information. The *Albertan* embraced big headlines and concentrated on delivering one or two big front page stories a day, and Cheely usually wrote the big story. Described as “the Apostle of Goodwill; the Dispenser of Sunshine” and a “highly capable, alert, and pungent writer,” Cheely’s brief three and a half years in Calgary were eventful personally as well. He married his wife, Nell, and, partially due to his investments in oil leases and oil companies, reportedly became a millionaire because of the boom. “Bill Cheely is the happiest man you ever saw. He owned a whole section of land and several thousand shares of stock in different oil companies,” noted one of his friends, Duncan McGregor from Butte. “When the strike was made, he became a millionaire in a day.”⁴⁹

Perhaps because of his gregarious nature and outgoing personality, Cheely tended to blur the lines between his responsibilities as a reporter and the stories he covered—sometimes to the point where he became part of the story. Perhaps Cheely sensed that Black Diamond was about to provide a big story. Accompanied by Major Gillespie, Buck drove the reporter out to the well. Cheely added some rhetorical flourishes to his column, writing that the well now resembled an “old baronial castle,” protected by armed men, surrounded by a moat, and accessible only by drawbridge lowered after the visitor provided the correct password, which Cheely surmised as a series of hand signals between Buck and the guard. Closer to the well, Buck brought Cheely to the derrick house, where the reporter noted the heavy smell of crude oil before Buck instructed the driller to raise the bailer and dump the contents into the sluice box where it ran off into Sheep Creek. Cheely saw the traces of oil on the surface and smelled the odour of coal oil. Buck then dropped a match or a lit piece of paper or waste into the well, causing an explosion of flame about ten feet high. Pleased with the demonstration, Buck prefaced his remarks with the statement “The oil we have found is just a seepage,” and then spoke to Cheely for an hour or two about conditions at the well. While Buck expressed some vindication of his faith in the existence of an oil field, he admitted to investing all his savings in the company and confessed that the discovery released some of the pressure bearing down on him. The main body of oil probably lay further down, but he remained certain they were near it. During the conversation, Buck produced a geologist’s report and letter from Kelso Laboratories that wound up in Cheely’s possession later in the day and provided quotes for his story. Cheely’s report on his visit, complete with

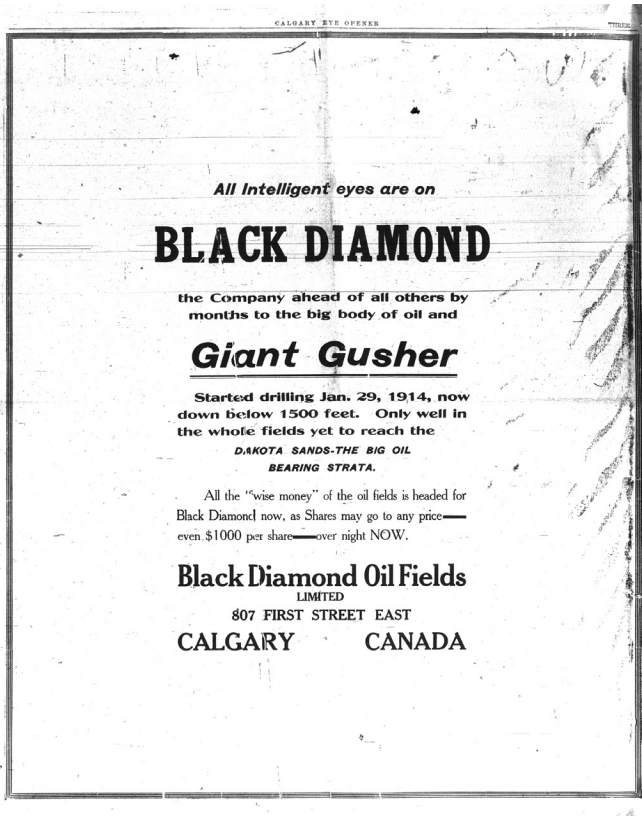


Figure 4-4 “Giant Gusher”

Despite his well-known reluctance to include advertising in the *Eye Opener*, Bob Edwards ran this ad for Buck’s company in the spring of 1914. (University of Calgary Libraries and Cultural Resources CU11428707)

direct quotes from the geologist’s report, appeared on the front page of the May 9, 1914, edition of *The Morning Albertan*. Cheely’s article quoted Buck as saying, “I feel just like Christopher Columbus when he discovered America. I would like to stretch my hand across the centuries and shake hands with his venerable bones.”⁵⁰

Salting the well was the first step in a grand plan designed to stimulate interest in Black Diamond Oil Fields, increase stock sales, and generate enough revenue to continue drilling operations. With the first part complete, Buck turned his attention to the next steps. But Buck was a schemer and a promoter, not an oil man, and he faced one very real problem—his well did not produce any oil. At most, he had bought himself some time, depending on how the next part of his plan unfolded. Fortunately for Buck, less than a week later, the Dingman well came in and the rising tide lifted all boats—at least for the time being.

