

MMS OFFSHORE GULF OF MEXICO
ORAL HISTORY PROJECT

Interviewee: TED PFISTER

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Interviewer: Tyler Priest

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Bio

Ted Pfister graduated from Loyola with a bachelors in 1955 and a law degree in 1962. He came to work for shell in 1964. During his tenure he worked in New Orleans, Houston, and Michigan. He was involved in some early Civil Rights cases for Shell, and was influential in lobbying and litigating Michigan's Pigeon River.

Summary

Interview has information on personal injury, including Artemis and Hurricane Camille. He talked about his experience with the Norco strike. Additionally, he had interesting comments on Shell's Civil Rights cases. Excellent discussion of Michigan and Pigeon River.

Side 1

Ty: The date is October 2, 2003. We are at Mr. Pfister's home in Houston, TX. Let's start off with a little background information.

TP: O.K., well, I graduated from Loyola. I was born in New Orleans, grew up in New Orleans, graduated from Loyola twice in 1955 with a bachelor's degree and in 1962 with my law degree. I went off to Notre Dame to work on a master's degree in 1955 but I got sidetracked. Notre Dame acquired a TV station and they wanted a radio station to go with it, so they bought a 250-watter in South Bend. They were looking for announcers, I went and auditioned and I got hired as an announcer on the radio side mainly. I did some things on the TV side. But that caused me to drop out of school.

Ty: Were you a news announcer?

TP: Well, I was a disk jockey, news announcer – did everything. So, that sidetracked me and I dropped out of school just to work at that because I thought maybe I had a career in that but by dropping out of school, that came to the notice of the draft board, so I lost my deferment and after . . . I got there in 1955 and I started working in the fall of 1955, but I got drafted in January of 1957 and did two years in the service. When I came out of the service, I had been away from New Orleans – it

was the first time I had been away from New Orleans for three years like that . . . I got back in 1959, so I had really been away four years from New Orleans. I was really homesick and so I did not want to leave New Orleans but I could not get a job in radio or TV in New Orleans. It was locked up.

So, I said maybe I should see if I can get some more education, so I wound up in law school thinking I am going to give it a whirl. But I got hooked, finished law school and went to work for a law firm. The name of the firm is Kierr and Gainsburgh. Now, they Gainsburgh and a whole bunch of other names. They did mostly personal injury work and they represented seamen, blue water seamen, and also people who were injured on offshore oil rigs. In the 1950s, an enterprising lawyer made the argument to the court that if you were a worker on a drilling rig that was capable of moving, being floated and moved from place to place, that that was a vessel in a sense your job . . . whatever it might be . . . a rough neck or a cook in the galley or whatever, you were a member of the crew of that vessel because you contributed to its purpose, its mission. This lawyer convinced the judge to submit that to the jury and juries consistently held, when they were presented with evidence, as to the type floatable, movable drilling rigs. But they were vessels and people were injured working on the vessel, were seaman. And so, instead of, you know, getting Worker's Compensation or Longshore and Harbor Worker's compensation, you've going "maintenance and cure" which was fixed by or contracted. I think, back in those days, it was either \$8 or \$10 a day or something like that. But you can

also sue the owner of the vessel, your employer for damages. And so, that became a lucrative proposition for personal injury lawyers.

Ty: When did this begin?

TP: In the mid-1950s some time.

Ty: You do not know who the lawyer was . . .

TP: I think the key case is *Robison v. Offshore Company*. I think that was one of them that involved the issue anyway. So, I had that background when I went to Shell.

Ty: Not to sidetrack you but were injuries offshore very common at that time, do you ,remember?

TP: Oh, yes.

Ty: There were very few regulations and it was a new industry and a lot of divers and helicopters . . .

TP: Yes, all kinds of things. Oddly enough, even I think to this day . . . well, now they have helipads and a lot of times, the crews are carried out on a helicopter but back in

those days, you went out on crew boats.

Ty: They had the net that they . . .

TP: They did not even use that. Before that, they would just nuzzle up the crew boat next to the platform and they had a rope and you swung on the rope! That caused all kinds of injuries. I remember we had one case, one of the first cases I worked on . . . a guy was just walking around the vessel and a cook had left a potato peeling and, of course, the decks of those things are slippery anyway, and he just slipped and fell on a potato peel.

An interesting thing about naming the rig as a vessel and the injured worker as a member of the crew of the vessel is that he is entitled then to the warranty of seaworthiness. And that is a heavy liability because it is non-delegable. The owner of the vessel just cannot escape an unseaworthy condition.

Ty: Especially all those newfangled jackups and submersible joint barges . . . there were all of these different kinds that were being tested for the first time on the job. It must have been wild working in that area of the law.

TP: So anyway, I worked for the firm doing that kind of work mainly for two years. Our first child, Cathy, our daughter, was born on May 15, 1964, and I started with Shell

on June 1, 1964.

Ty: The day before I was born.

TP: Is that right?

Ty: Yes.

TP: The firm did not work out for me. I was inundated with work. I worked solidly for the whole two years and never had a day off. I went in the office on Saturdays and brought work home Saturday night that I would do on Sunday, you know, for two years. And so, George Schoenberger called me up one day in the spring of 1964 and said he was looking for somebody for his legal department and could he talk to me. I said, "Well, sure." At that time, I really was not thinking about moving and I told him that. I said, "Maybe this is an opportunity." You know?

Ty: How did he get your name?

TP: He got my name from a professor I had in law school named Clarence East. He must have known Clarence, called him up. There is more to this story. I do not know if you are interested. O.K., well so, George took me to lunch at the Petroleum Club and we just talked.

Ty: The old Roosevelt Hotel? Was it called the Fairmont then?

TP: No, I do not think it was called the Fairmont yet. It was still the Roosevelt Hotel. That was where the Shell building was and when I worked in that building, we would go down for coffee. They did not have coffee in the offices in those days. You went down to the Roosevelt coffee shop. There was an entrance into the coffee shop from the lobby of the Shell building. But anyway, that is ahead of the story, too. We just talked, you know? About one week later, he called me up and said, “Come and have a cup of coffee with me.” He did this for like one month, maybe once a week, called me up to have coffee. And then, one time, he called me and said, “Come over and have coffee,” and he offered me a job. So, I said, “Let me have one week to think about it.” Well, it turned out to be a very busy week. I had a trial and all that kind of stuff. I wound up calling him up at the end of that week saying . . . uh, declining the job. But now, Jeri is about to deliver a baby and I am thinking about responsibilities and everything. I was doing all right but Shell was offering me more than I had made and a situation where the working hours were more stable to be able to spend a lot more time with my growing family, so I began to have second thoughts. I went to him and resurrected this job and finally, I just said, I’ll just lay it out. Honesty is the best policy. So, I called him up and I said, “Mr. Schoenberger, I think I missed the boat when I turned you down. If that job is still open, I would like to have you consider me for it but if it is not, well, I made my

own bed and I will just have to lie in it.” So, he said, “Yes, I have hired somebody else. John McMahon is the guy I hired.” But he said, “I really still could use another man but I do not have the authority to hire anybody else. I have got to get with head office and get authority.” So, he said, “I will just have to call you back.” About two weeks went by and he called me up. He said, “Come and have a cup of coffee with me.” And so, I went over to the Petroleum Club and we were drinking coffee and Jeff Johnson came in for coffee and he sat down for coffee with us and everything like that. And so, we are talking and Schoenberger looks at me and he says, “Well, I am going to offer you that job again. Do you need time to think about it?” I said, “No, sir!” He said, “When can you start?” This was like the first week in May and so I said, “I will start June 1.” He said, “O.K., you are on.”

Ty: You came in as? . . . What was your title?

TP: Attorney.

Ty: What were your areas of responsibility?

TP: Well, that is a good question, because the way Schoenberger ran the office, he just partialled out work. Work came in to the office by way of memos from the land department, the production department, whatever, setting out a problem and asking for advice. Sometimes it could come in by way of a phone call if there was a short

fuse on it. And after you got into the company a while, the new people around, sometimes they would just bypass Schoenberger and they just called you directly if they knew you worked in this area before. But for me, I would just sit in the office until a memo came in that George had assigned to me, you see, and it had a little routing slip on it. His name was at the top. If the secretary was below that, he would route it to his secretary but he would also put the name of the lawyer he wanted to handle the case. Then, it would be routed back to his secretary and then back to him, so he would be the last person to see it. When you answered the memo, you attached your answer to the slip and it went back to him. So, he approved it before it went out. You know, that is the way I worked for a couple of years before I got more into the routine where I had regular clients start to call me more regularly and stuff like that.

Ty: What were the things that the department was working on at the time? Do you know?

TP: Yes, there were a number of things in 1964. I was mostly working title opinions, onshore Louisiana title opinions was most of my work. Also, advice concerning how to pay rentals or whether the term was interrupted by activity so you would not have to pay a rental. It was held by production or held by activity or whatever. Those kinds of problems were very frequent and they were kind of the easiest ones to handle. The law was pretty clear as long as you had clear facts. So, the new guy

in the office got that kind of thing. Besides, that was a way of acquainting me with the oil business with the title opinions also.

George had a . . . Schoenberger had this rule that every piece of property had to be examined twice - the title had to be examined twice independently. Once inside the house and once outside the house. And we had regular retainers of title examiners, one of whom was his brother, Sidney. And so, every piece of Louisiana property and probably Mississippi – Louisiana and Mississippi were the stuff that we handled the titles mostly that I can recall. Then we got into Alabama later on.

Ty: Louisiana had all the gas laws that differed from most other places.

TP: Yes, there were a lot of wrinkles. Also, you know, the title situation had a lot of wrinkles in that, too. Some of the things I worked on: I worked on the title to the plot, to the block where they built One Shell Square.

Ty: Oh, really? In New Orleans?

TP: Yes, and we found a flaw in the title. George did not want that to be handled outside at all. I guess there was some secrecy problem. And so, the early documents in the abstract indicated that half the block followed one chain and the other half of the block followed another chain. And so, he put me and Joe Hebert on it. I had one

half of the block and he had the other half of the block. But we did not have time to get a full abstract so we had to go to the courthouse and examine the title in the courthouse from the actual documents on file. In New Orleans, it was a register of conveyances. So, we would go over to the register of conveyances office and start examining documents and following the chain from document to document to examine the title.

Hebert was a salty old guy. It was Christmas time and they had a record player playing Christmas carols. Hebert complained to them that it was distracting. He was trying to examine a title and he had to listen to all these Christmas carols. So, they had to turn off the record player whenever we got there. So, you would arrive there in the morning, they would give us all a dirty look and turn off the record player until we left.

We found out that there was an alley that split the block and cut across both our chains where the title was uncertain, and as I recall, the last party in the chain that could possibly now have a claim to the alley way was the Board of Regents of Tulane University. And so, we reported that to George but he knew somebody on the Board of Regents or he knew somebody who knew somebody on the Board of Regents or something like that, and he approached them and we got a quitclaim from them. So, we cleared the title to One Shell Square so they could start building.

Ty: So, One Shell Square, was that built in the late 1970s?

TP: It was completed around 1970.

Ty: It was after One Shell Plaza?

TP: Yes. Right after. I am not sure . . . it was completed long enough for me to be in it. I moved in . . . I left in 1973. It was completed long enough for me to be in it long enough to watch the Superdome get built because I had an office that looked in that direction and I watched the Superdome develop.

Ty: That is right down the street from there.

TP: Yes. It was fascinating because the roof is just held by a tension collar. Do not ask me how it works because I do not know. But it has a ring and they have the whole roof is just supported by the tension . . .

Ty: Is One Shell Square still there? Can you tell me a little more about Schoenberger?

TP: George was, I think, one of the most brilliant oil and gas lawyers going.

Ty: How long had he been with Shell, do you know? Did he start in Louisiana as an oil

and gas lawyer? Did he have a career prior to Shell? He must have at some point.

TP: I do not know, but he went with Shell early in his career, and he even did some time in Houston and then moved back. I guess when he came back, he stepped into the job of general attorney in charge of the New Orleans legal office. But that is all before my time. He was very fatherly to his lawyers. Under his management, he encouraged us to take more of . . . more than just dispensing legal advice, if we thought it was bad business, we were encouraged to speak up about that. They may not pay any attention to us but we were encouraged to speak up about that. That was discouraged here in Houston, but George always encouraged us to do that, which I think is the better way and he, himself, would do that. But he was very protective of us, of the lawyers that worked for him and he defended us if somebody said we did something wrong or complained about us. He was very defensive, or he defended us.

I worked with him on a couple of things. We had leases from the Jeanerette Lumber and Shingle Company. We had extensive production on Jeanerette's property.

Ty: In south Louisiana somewhere?

TP: Yes, it was over in St. Martin Parish because I remember we went to St. Martinville to handle the case. Anyway, we had this extensive production there and a family

named Guilbeau filed a lawsuit claiming that they owned the title to the property or a portion of the title to the property. So, George wanted to handle that case himself because he had managerial duties and all that kind of stuff. And so, what he did was he called me in and he would discuss the case with me and give me his ideas on how . . . he wanted to file a motion to dismiss and back it up with documentary evidence and a brief. And so, he would tell me what he wanted the brief to say and give me some ideas and all that kind of stuff, and I would go off and write it. Then, I would bring it back in to him, he would go through it and all that kind of stuff, and make changes and come up with new ideas. We would replace a portion of it. Then, I would go back out and rewrite it. We went through this process about a half dozen times and we finally came up with a finished product and we filed it and had a hearing in court on it and the judge granted our motion to dismiss the case and adopted our brief as the court's reasons. They appealed it. We won in the Court of Appeals and then went on to the Supreme Court. At each step, we had to file a new brief and went through the same process. He would give me his ideas on what he wanted the brief to say and then I would go write it and get cases to support it and everything. And then, we would hash it out, would rewrite and I would come up with another version and we would keep going until we got something that he finally approved of. Then, he would argue the case in the Supreme Court we won there, too. But I had written the brief. We stayed pretty much the same from the earliest time.

Ty: Did you work on any offshore issues or cases?

TP: Yes, mostly injuries because I had that background. And so, I handled a number of offshore injury cases. Some of them, I went out on the rigs. I used to have a picture of myself on one of the rigs but I could not find that picture.

Ty: You were arguing the other side of the injury case?

TP: Yes. You have heard of the oceanographic research vessels? They had *Niobe* and the *Artemus* . . .

Ty: *Artemus, Niobe* and the *Phaedra*.

TP: I think it was the *Artemus*. The *Artemus* had an explosion and this guy was badly burned and he died from his burns. They helicoptered him to Mobile to a burn unit in a hospital in Mobile which was the closest spot from where the vessel was at the time and he lasted maybe two or three days and he died in the hospital. But Al Moore and I met the *Artemus* when it came into Venice, Louisiana. It got in at midnight. We interviewed every member of the crew, as to what they knew about what happened because we knew we were going to get a big lawsuit. The *Artemus* was doing seismic . . .

Ty: They were still doing dynamite?

TP: No, they were not doing dynamite. They had some kind of pulsing mechanism that operated through the hydraulic system. And the guy who was killed, burned and killed, was tending the system. They dragged this pulser behind the vessel and it pulsed at regular intervals and the hydraulic system operated it. Apparently, either he was not watching very carefully or what but a pinhole developed in one of the tubes, the hydraulic tubes, and the hydraulic fluid, which is an oil-based fluid, began to spray out in a mist.

Ty: It was a cigarette or something?

TP: Well, no, actually, he was up on deck, I think. He was up on deck goofing off or something, and somebody said, "Hey, there is smoke coming from down there." And so, he ran down. When he got into the room, a spark set it off and it was a flash fire. It burned the clothes off of him. He walked out of there, he climbed the ladder and walked out. He came out of there but he was naked. The clothes were just burned right off his body. And so, they quickly grabbed him and brought him to the room that served for injuries, first aid basically, and just laid him down and sprayed him with this foil spray which was really something for minor burns. Here is this man with fatal burns, so you can imagine that was not very effective. And they had no morphine or anything that they could give him.

Ty: So, that was one case that you were on?

TP: We eventually settled that case but we had to lay out a good bit of money. And, you know, the *Blue Water* came up. I know about the *Blue Water*. I did not work on that. It broke loose in the hurricane.

Ty: Yes, that is a remarkable story. I think it actually had been sold or leased to John Meacham, right?

TP: Yes, I believe so.

Ty: It was overturned in . . . I forget which one but the one in 1964, it was moored and then the hurricane in 1965 unleashed it from its mooring and it rammed into one of Shell's West Delta platforms. Is that story right? That is the story I got from a couple of sources.

TP: Yes. My memory is kind of vague because I did not work on it or anything but that sounds basically what happened. But it cut a swath across the Gulf there before it collided with . . .

Ty: It hit other things?

TP: I do not know that it did hit other things but it was blown a long way!

Ty: Yes, about 10 or 12 miles.

TP: Yes, it was incredible. Now during this period, when the moratorium came on – I am not sure exactly when – the moratorium on lease sales . . .

Ty: It would be 1969/1970, right after Santa Barbara.

TP: Yes, and of course, even before that, George Schoenberger and Ernie Sutter were working with the government on the Tidelands. Well, they devised a scheme for escrowing the funds from the disputed zones and everything. And there were a lot of stories. Working with the federal government, you know, you were not always working with the same person. They move people around, administrations change and the people would change. So, a lot of things you got, the government would rewrite something. And so, O.K., fine, we accept that. But then, somebody else later on would see it and say, ‘No, we can’t live with that.’ ‘Well, you guys suggested it!’

Ty: Harold Icke's first in the 1930s said the federal government had no jurisdiction in the California case. And then, in 1938, he changed his mind and it was like . . .

TP: So, that sort of thing eventually gets worked out but the process was long and tedious. It used to just irritate them to no end when they would get something back and he would say, 'This is their own stuff they are changing!'

Ty: I guess the leasing program changed from the big sale in 1962 which was sort of wide open, similar to the area-wide sales they have now. And then, the next federal sale was in 1967 and the federal government adopted a much more stringent policy of rationing tracts. I know it frustrated the companies because it was a checkerboard . . . if you looked on the map, they would select tracts that may not have been part of the same geologic trend or companies could not get a bunch of tracts together that they would like. Schoenberger was involved in drawing the original federal leasing maps.

TP: Before they lifted the moratorium, they had hearings in New Orleans, certainly. I think they must have had them in California and other places as well. But I wrote the testimony for Jim Pittman, J.W. Pittman, at that hearing and worked with Austin Lewis on the whole dog and pony show.

Ty: From Liskow and Lewis?

TP: Liskow and Lewis.

Ty: You worked with Austin Lewis on the whole . . .

TP: On the whole dog and pony show that the oil and gas industry put on as evidence to support the resumption, or lifting of the moratorium on leasing.

Ty: That is interesting. Is Austin Lewis still alive, do you know?

TP: No. He died a long time ago. He was only like 57 or 58 when he died, and it was not too long after that lifting of the moratorium. He got the flu and it would not go away. And they eventually had to put him in the hospital and kept giving him antibiotics. He would start getting well, then he'd relapse again and it eventually killed him.

Ty: He was important in the state of Louisiana's battle with the Feds in the 1950s in challenging the Tidelands decisions. Where do you draw the line?

TP: Well, of course, the Liskow and Lewis firm had their finger in just about everything gas-wise in Louisiana. Maybe there were one or two other firms that were close to the work that they did but they were certainly the leader firm in that . . .

Ty: Because they had gotten into it earlier?

TP: I guess. I really do not know. They had the market cornered, so to speak, by the time I came on the scene. I do not know how they did it. Now, by the same token, the Jones Walker firm was the leading firm handling offshore oil rig accidents because they represented Travelers, and Travelers had all the insurance on that stuff.

Ty: Well, there is the issue of accidents and personal injury but what about damage to rigs and property offshore? I mean, I know that was sort of a big concern in the late 1950s and maybe a lot of that got sorted out insuring these rigs.

TP: Yes, well, *Blue Water* got into court. I believe there was a published case on the final decision. I cannot remember any extensive property damage thing offshore other than the Bay Marchand, the big fire.

Ty: I think Shell lost a platform or two in Hurricane Camille in 1969. They just disappeared after the seafloor shifted. But yes, Bay Marchand, that was a big one.

TP: Now, I remember Camille but again, I did not work on any damage problems. I know we lost some rigs and there were some rigs that just disappeared. Camille was a tight, compact storm but the winds were astronomically high. The anemometers all broke. But fortunately, you know, the swath was not as wide as it . . .

Ty: It was right off the offshore alley there.

TP: And right into western Mississippi.

Ty: That was a big one, too.

TP: When I got down there as soon as possible after that, I had been in Bay St. Louis the day before the hurricane hit because Jeri had relatives who lived in Bay St. Louis and we visited them. Their house was on a ridge. It was Jeri's Aunt Laurel. Her house was on a ridge and so, she did not have water in the house. The two trees on either side of the house were blown down but they meshed right over the house. So, there was some minor roof damage and that was it. And everything else in Bay St. Louis was virtually destroyed.

There was a community called Long Beach, I think, Mississippi, right east of Pass Christian and there was a hotel that, whenever we went over there with the kids, we stayed. It was called the Pine Lodge. Well, by the time they allowed people to go over there . . . we took a drive over there, where the Pine Lodge was, was a vacant lot! It was just empty. The Pine Lodge was gone. And, of course, there was actually an ocean going vessel was blown onto the highway at Gulf Port. When the storm receded, there was an ocean going vessel sitting across the highway!

Ty: I guess it was a Category 5.

TP: I do not know if they had categories back then but it would have been at least . . .

Ty: In retrospect, it probably would have been a Category 5. Is there anything else you can tell me about the whole New Orleans setup? Do you remember working at the historic Roosevelt Hotel? I guess then you moved over to One Shell Square. When the Shell Building was adjacent to the Roosevelt Hotel, that must have been the center of activity there in New Orleans.

TP: Well, two matters that I handled, a couple of years apart that stand out in my mind were the strikes at Norco. We would go out. Jeff Johnson would be in charge. He was the strike breaker and I worked with him, Jack Etherington and Alan Lackey also, for the second strike. And we would go out there and take statements from the truck drivers as they came across the picket line about how long it took them to get across because the pickets would block the entrance to the refinery. And what they were doing was they were trying to slow down the trucks and keep them from crossing into the property and traffic would back up . . . the entrance was off Highway 61, the Airline Highway as it was known then. And traffic would back up. The sheriff would come out. They were on the side of the strikers, you see. The sheriff would come out and ticket the truck drivers for blocking the road! And so, Jack Etherington rode one of the trucks. We made a rendezvous point for the truck

to stop and pick him up so he could go in.

Ty: Was this the 1973 strike?

TP: It was the second one in the 9 years I was there, and I left in 1973.

Ty: I think there was one in 1969 and 1973.

TP: This would have been 1969.

Ty: I think there was one in 1969. I think that is when it was. So, Etherington was riding . . .

TP: So, Etherington was riding and sure enough, the truck gets stopped because it cannot get into the refinery and the sheriff came and gave the truck driver a ticket. So, Etherington says, "I am a lawyer and you cannot do this. This man would be very happy to move if you get those guys out there to get out of the way and we will move right in." So, they arrested him and he spent the night in jail. Of course, all this went into our motion for an injunction and we got that injunction. We blew it up. Alan Lackey and I got a copy of the injunction and had it enlarged. And then, we put it in a big frame and mounted it at the entrance to the refinery where the picket line was. So, you cannot deny they did not know.

Ty: February 4, 1969.

TP: Is that what it says on it?

Ty: Yes, I think so.

TP: This was in our law library in New Orleans. In that same strike, they came and picketed down at the Shell Building, down at One Shell, and I went out and was interviewed by TV. I did not want to . . . this is a picket guy right here. I did not want to just act like a scared rabbit and run back in the building, so I milled around outside there and somebody took my picture. But all of these guys are plain clothes cops that we had alerted there was going to be trouble. And so, they came out and were prepared to prevent any displays of violence or anything like that. At that time, I was teaching speech at Loyola's evening division at night and they had a criminal justice program. I had a lot of these guys in my class so I would go around with them.

Another thing I did: We had a constitutional convention and I covered the new Louisiana constitution and wrote a series of articles for the *Shell Record* on the constitution – what it would mean to Louisiana and what it would mean to the industry, and so forth. These four issues, each one contains one of my articles.

Ty: Louisiana has rewritten its constitution quite a bit.

TP: Well, at the time, Louisiana's constitution was the longest in the country, probably in the world. It was just ridiculously long. In fact, I wrote the last article from Michigan.

I have something that occurred to me from what I read about international in your material. When I got to Michigan, Oliver Stone was general counsel. He had taken over from Bill Kenney. He died suddenly of a heart attack and George Wolbert was appointed general counsel.

Ty: Is he still alive?

TP: I do not know. I have lost track of him completely. But before I left Michigan, Wolbert was replaced. He took retirement. I think it was early. My boss was Harry Bissonnett at the time. I asked Harry Bissonnett, "What happened to Wolbert?" because I knew Wolbert was interested in Michigan and he . . .

End of Side 1

Tape #1, Side 2

TP: And Harry Bissonnett told me he got crosswise at somebody high up and they invited him to take his retirement. So, I started tapping the grapevine to see what I could find out, you know, and I picked up little tid-bits here and there. But it was not until I got to know Bill Winters . . . after I was transferred to Houston, I got to know Bill Winters and the story I finally was able to piece together was that there was some international problem where, in order to get this concession in Africa somewhere . . .

Ty: Cameroon?

TP: Well, it might have been Cameroon, it might have been Nigeria. I am not sure. Cameroon is the most likely place but I am not certain . . . but they needed to pay somebody off. Well, the Foreign Practices Act does have a provision where you are allowed to make certain kinds of payments, otherwise you would not be able to compete with anybody else. And so, they needed an instant ruling and they called . . . I think it was Blackburn but I cannot be sure of that . . . called up George Wolbert and said, "We need this issue decided right away. Can we make this payment?" And he said, "Yes." And they made the payment. Shell got indicted under the Foreign Corrupt Practices Act. I have heard they wanted to indict Charlie Blackburn, too, personally, but they contacted our lobbyists in Washington who

could get the ear of somebody and they explained that he sought legal advice and just got bum legal advice and do not penalize the poor guy because he did what his lawyer told him to do. And so, they just made the indictment against Shell and Shell pled guilty or pled “no lo” probably and paid a fine. But Wolbert was out.

Ty: Was this the mid to late 1970s maybe?

TP: Yes.

Ty: After the creation of the Pecten companies.

TP: Yes. All of this came to me without any official source and I pieced a lot of it together.

Ty: I did not know Shell had been indicted.

TP: Well, I mention that because you mentioned how clean in regard to international work, you were mentioning, quoting somebody, how clean we always kept our shirt tails.

Ty: Yes, it was Don Russell, I think I remembered him saying trying to deal with the dictators.

TP: What he said is true. Shell's policy was always clean, stay clean, do not do anything to bring any kind of ill reputé on the company. So, why Wolbert decided to shoot from the hip and do that, I will never know. He had started in the legal organization, became treasurer of the company and when Oliver Stone died, they just made him vice president/general counsel as kind of a logical move.

Ty: Did you ever have any contact with Bill Kenney or Oliver Stone? Do you remember those guys? Mostly from a distance?

TP: Yes, I got to know Bill Kenney better than Oliver Stone actually.

Ty: He is still alive and is living in Florida, I mean, as recently as last year.

TP: Somebody put together a party for retirees – old, old retirees – about maybe eight to ten years ago, something like that, and he came in for that. That was the last time I saw him. He was sort of a crusty old guy but he was very down-to-earth. I think he came from the St. Louis firm that was representing Shell in the early days when Shell was being organized.

Ty: Yes, and Midcontinent was run out of St. Louis.

TP: And he came, when Shell finally was organized, whatever the company's first name was or maybe it was when it first became Shell Oil and he became the general counsel. The reason I got to know him sort of is because George Schoenberger was real close to Kenney. They were two peas in the same pod sort of guys. And George would have Kenney come periodically just to visit and meet the lawyers and tell us things about what was going on in head office and the company generally and all kinds of stuff and we would usually have dinner and everything and wives were invited. And he took a shine to Jeri. So, through Jeri, I got to know him as well as anyone in the office other than George Schoenberger. When he retired, he came around one last time. Of course, I think he visited every office before he retired and we had a big dinner at the Ponchartrain Hotel on St. Charles Avenue. We presented him with a fishing rod and reel because he was going to retire at Nasshead - one of the barrier islands off of North Carolina was where he was going to retire, so we gave him a . . .

Ty: I thought he was in Florida.

TP: With his advancing age and all that, I think he left one of those barrier islands . . . it was Hilton Head. He left Hilton Head. Also, I think he got tired of the solitary life, wanted to get active and do things, and I think he taught or lectured at a Florida law school or something like that.

Ty: We did an interview with Kenny from the early 1970s.

TP: He was still a young man then.

Ty: I think he was retired by then though.

TP: It was the early 1970s, yes.

Ty: A lot of his story is about Max Burns, who was president in the 1950s. There is a great story about the Anacortes Refinery and getting the alien land bond in the state of Washington overturned so that Shell could build it there. I think there were alien land law issues in Texas, too.

TP: Yes, in Nebraska because I went to Nebraska one time to talk them out of an alien land law, yes. That was in the 1980s. Joe Spaulding and I went . . .

Ty: That was just something they had on the books . . .

TP: No, I think it was something that was contemplated.

Ty: O.K., really?

TP: Yes.

Ty: Because of the Japanese investments?

TP: Well, they were afraid that a foreign interest would buy up all the land that supplied food because Nebraska is farm country, you know, and defeat us by not being able to . . .

Ty: By taking that cultivation?

TP: Yes, by not being able to feed ourselves. All sorts of deals like that. We hired a lawyer who had been a former governor of Nebraska and was working as a lobbyist in connection with that case and that issue. His name was Crosby – a delightful guy. I only talked to him maybe three times in my life but he was just such an engaging personality. Of course, he knew everybody in the whole state of Nebraska, I guess.

Ty: So, is there anything else? I want to get a chance to talk about Michigan, too. I am wondering if there is anything else to say about your time in New Orleans.

TP: There was something that came to my mind and now it is going out again. Let me see if I can't resurrect it.

Ty: Any more about Jess Johnson? Did he go straight to D.C. after New Orleans, after he worked in New Orleans?

TP: Yes, I think so.

Ty: A guy I interviewed . . .

TP: That would have been like in 1971.

Ty: Someone I interviewed said that Jess Johnson's power of persuasion were so good that he could get a cat cracker put on the Washington mall if he wanted!

TP: Well, I do not know about that but I do know that Jess was a high-powered lobbyist. Of course, Jess, he could charm the leaves off the trees.

Ty: I think that was the essence of what I was trying to tell you.

TP: He was a delightful guy to work with. I enjoyed working with him. He had a nice family. He had a bunch of boys as I recall. I am not sure how many. A couple of boys. His wife, Peggy, was delightful. A nice person. One of the things I did when I took over for Jess was to go check his expense account. He spent enormous money entertaining. I could not have kept up with that. In fact, my weight soared

when I took up lobbying.

Ty: You were lobbying the state legislature?

TP: Yes. Jess left and I took over, but then in 1972, they had a full session of legislature. In 1973, they only had a 30-day session. I got transferred and Bobby Duplantis took over for me. I got transferred to Michigan to handle the work I did in Michigan which involved some lobbying, lobbying of bureaucracy more than the legislature but the legislature, too.

When I left New Orleans, Charlie Blackburn was the head of New Orleans. By that time, it was regions and that was the eastern region, eastern E&P region. He was vice-president in charge of eastern E&P. Charlie and I never quite hit it off, but Jess and Charlie were like "that" which was smart for Jess. Well, anyway, that is what happened.

Ty: Charlie Blackburn is real strong personality from what I can tell from talking to him.

TP: Yes, I know a Charlie Blackburn story, too! Charlie had a mistress while he was here in Houston towards the end of his career and his wife found out about it. He got her pregnant. So, he had to divorce his wife and marry the mistress, you see. And so, a nasty divorce proceeding ensued and one late afternoon, Beau Lowry

came into my office and said, “There is a guy here who wants to serve a subpoena on Bookout. It is a subpoena used for records involving how much compensation Charlie Blackburn received, not only from his salary but from options and this kind of stuff, for use in the divorce proceeding. What should I do about that?” I said, “Tell him he’s got to serve Bookout personally, and Bookout is not in the building.” So, while we went back to his office to tell the guy that, the guy had left and left the subpoena on Lowry’s desk. So, he can always say he made drop service in the Shell Building. So, Bookout has got to be informed now that we can go in and move to quash the subpoena or he can show up and bring what records are requested or what records he can get together in time like that. That was done. I do not know what happened but the case got settled and shortly thereafter, Blackburn resigned, took his retirement, then signed on with somebody in Dallas. I do not know who it was. Amerada or somebody. I do not even know. But that is my dirt on Charlie Blackburn!

Ty: So, that had an impact on his career at Shell.

TP: That is an assumption on my part.

Ty: You don’t know whether it was coincidence . . .

TP: But, I mean, he was approaching retirement age anyway. Sixty was the retirement

age for people at that level at that time. It was 62 for everybody else by then, became 60 for everybody. But it was the custom for vice-presidents and up that when they reached 60, that the board would pass a resolution granting them leave to stay beyond 60, usually for a two-year . . .

Ty: I think Bookout was renewed two or three times.

TP: Yes, he was renewed several times.

Ty: That is interesting.

TP: Oh, I know what I wanted to say: A couple of cases that I worked on. One of the things that George Schoenberger did early in my career was he sent me to a seminar on the Civil Rights Act of 1964 and he said, "You are going to be our man on the Civil Rights Act of 1964." And so, I went and got smartened up on Title 9 especially which dealt with employment and I handled the first sex discrimination case, at least in the New Orleans office. I think it was the first in the company. And it was brought by a man. *Genovese v. Shell Oil Company*. Sex discrimination.

Ty: Where was he employed?

TP: He was in the computer section when we were just going into to computers, and they

were in the International Trademark Building down at the foot of Canal Street in New Orleans. This guy was a computer operator of some kind, and he had long hair. They told him to cut his hair and he refused. Finally, they said, "If you don't come in Monday morning with your hair cut, you are fired." He came in Monday morning with his long hair and they fired him.

Ty: I assumed he was suing because he was passed up for a job by a woman!

TP: He said women had long hair and they did not fire women that did the same job he did.

Ty: No, but? Did he lose?

TP: Yes, but just on a technicality. Back in those days . . . you still get the right to sue letter . . . in that case, the EEOC found probable cause and sent a letter to Shell, "Will you mediate?" We categorically refused. So, then they sent him the right to sue letter. You have 30 days from the right to sue letter to file suit. At that time (the law has been changed since), the 30 days was rigid. If you did not file within 30 days, you were out. He missed. His lawyer filed the suit about 3 days late. There was an envelope. I have got a copy of the envelope he got the right to sue envelope in. Somehow, I saw that. And there was a date stamped on it. He filed 30 days within that date that was stamped on that envelope. So, I said, "Well, that is an

office thing.” His secretary might have stamped that on there or maybe the post office. I do not know who stamped that on there but that might not be the day it was received. So, I went over to the EEOC office in New Orleans and I said, “When you send out these right to sue letters, how do you send them?” So, he said, “Well, we send them registered mail.” I said, “Do you get a return receipt?” He said, “Yes.” So, I said, “Well, can I see the return receipt?” He said, “Sure. It is a public record. You are entitled to see that. Finding it may be a little bit of a problem. We try to file them but there are so many and they are just this big.” And he had this great big set of drawers that were the shape of a 3 x 5 card, just handled 3 x 5 cards. It was about 6 feet long and 6 feet high, a drawer every 5 inches.

Ty: You looked through all of these . . .

TP: Well, they are supposed to be alphabetically filed but he said, “You are lucky if yours is in the right place. Have at it.” It was. I went right to it. Genovese was the guy's name. It was filed under Genovese. I went to the G's, Ga's, and then Ge's and sure enough, there it was. He had received that, according to that return receipt, he had received it more than 30 days before his suit got filed. So, that stamp of the date on the envelope that his lawyer used was erroneous. And I got it thrown out. He filed for a new trial and that was denied and then he appealed it to the Fifth Circuit Court of Appeals. By that time, I was in Michigan and Al Moore handled the argument. I wrote the brief though before I left New Orleans. Al Moore

handled the argument and we were affirmed on appeal. He filed for writ in the United States Supreme Court but it was denied.

I also handled the first racial case.

Ty: What was that?

TP: We had a black employee, a young man, a nice young fellow. He was working in employee relations and going to school at night. Well, once he got out of law school, he left Shell and set up a law practice. And then he started recruiting black people that he knew in Shell to file discrimination cases, and he got a client who was an offshore worker who claimed that he was discriminated against in all kinds of ways. He complained that his boss called him a “nigra” which was not the “N” word exactly but it was not “Negro” either which was an acceptable term. I guess “nigra” was less offensive than the “N” word back then but it still was offensive. I went and talked to that guy. His name was Billy, something. I said, “Is this true you use that term nigra?” He said, “Yes, that is what they are.” I said, “Well, no, it is Negro.” He said, “Yes, that is what I said. Nigra.” And I said, “No, it’s N-E-G-R-O.” And he said, “Yes, I know. Nigra.” I said, “That is how you pronounce that spelling?” And he said, “Yes.” I said, “Well, do you hear me pronouncing it Negro?” He said, “Yes.” I said, “I want you to say it like me.” He said, “O.K. Nigra.” So, we went around and around. I filed a Motion to Dismiss in that case and I got it thrown out. I

forget now the grounds. I had affidavits and things like that supporting things that never happened. But then, he amended his petition and added more people to it. And so, I started dealing with that. And then another time, he added more people as plaintiffs.

Ty: All offshore workers?

TP: No, some of them were office workers. He had all kinds of people. So now, Ernie Sutter had succeeded George Schoenberger as head of the legal department in New Orleans and he said, "We do not want to be embroiled in this. We need to go to outside counsel with the case." I said, "Ernie, let me think about that." He said, "O.K." Ernie was a very personable guy. You know, my thought was to try and talk him out of it but I thought about it and I said, you know, he is right. There are going to be so many unpredictable things that are going to happen. This is my second case under Title 9. Over at Lemle and Kelleher, they have been doing a passel of these.

Ty: What happened with the case, do you remember?

TP: Yes, it became a real cause celeb. All kinds of things happened and they eventually had to reach a settlement with everybody. It was really unfortunate. Again, I moved to Michigan and was not in at the end when it was all put together but there was a time when the case could have been settled for a bargain and Shell refused to pay it,

just categorically refused. So, the case was going to go on to trial and all that kind of stuff and, you know, the tenor of the times kept getting worse and worse as far as defending a civil rights kind of case. I mean, the 1960s, 1970s, and so when they finally did settle it, they had to pay a lot more, a lot more than they could have, earlier.

Ty: There are issues about the refineries, I think it was in 1967 when Johnson issued an executive order desegregating the Gulf Coast refineries. Do you remember?

TP: No, I do not remember. But we would have been desegregated even before that, I think.

Ty: Yeah, well, I know Shell did it earlier, in the early 1960s, and was one of the first companies to move to try to reduce the two-tiered, or eliminate the two-tiered racial employment system and got all the companies in the region to do it.

TP: Norco was a company town and they had residences on the property. Employees above a certain level got housing on the refinery grounds. There was a motion picture theater, a golf course and a swimming pool. Shell slowly did away with all that and I think it was in anticipation of having to integrate because all those things would be opportunities for conflict. And so, they began to do away with all those things. And the employees were unionized but it was a company-type union. And

so, the fact that Shell did these kinds of things was one of the reasons why the union went to OCAW and got OCAW (Oil Chemical Atomic Workers Union) to represent . . .

Ty: They switched unions?

TP: Yes.

Ty: There was a big 1962 strike – Norco and Deer Park and Wood River all got together to strike at the same time and it was unusual because Wood River was AFL unions mainly, craft unions; Deer Park was the OCAW and Norco . . .

TP: That is before my time but I have heard about that. And, of course, that was the big layoff. They were on strike for like the better part of one year, maybe 8, 9 months, something like that.

Ty: Almost one year here in Houston. Wood River and Norco settled first, but Deer Park stayed out for one year or more.

TP: I see. And so, Shell put all the office engineers and everything just here is the refinery, keep it going. And they shut it down . . . at the time the strike occurred, it was shut down for maybe three months, two or three months, is what I heard.

Ty: And then it started up again.

TP: Then it started up again with all the cadre, so to speak, operating it and, of course, these are bright college guys and all that kind of stuff – they figured out all kinds of ways to cut corners and make it more efficient and automate this and clean up that. The result is when the strike gets settled, anybody who had less than nine years service was discharged. One of those was the deputy sheriff in the 1969 strike that was arresting the truck drivers!

Ty: That is great. I guess not great, but the resourcefulness that people showed.

TP: What we did about that was we got the truckers to sue the sheriff, that their civil rights were being violated. They were being given tickets not because they were blocking the highway but because the picket people were blocking the entrance to the refinery. The sheriff's insurance company, bonding company, said, "Yes, we owe you a defense. And if you are successful that you did not violate anybody's civil rights, O.K., that is one thing, or if a jury should find that you were negligent in giving tickets to the wrong people, then we would have to pay off that judgment. But if they find that you did violate their civil rights, we do not insure you against committing a crime, so we would not pay that judgment," and that scared the sheriff to death. So, that is why they eased off on the picketing.

Ty: That is interesting.

TP: There were all sorts of things. We came and said we were willing to move our property . . . we will pretend our property line is not where it is, that it is further in so that there will be more room and stuff like that and you can picket in here even though it is on our property and we won't complain about that because it will help get the trucks here and maybe we can work out a little deal there, and it keeps you going, I guess.

Ty: So, with the racial discrimination case, do you think that was the first in the entire company or the first in that region?

TP: It was first in New Orleans, I know. I think it was the first in the entire company, but I am not sure.

Ty: That is interesting. Do you want to talk a little bit about Michigan, when you went to Michigan?

TP: Sure.

Ty: I have written up some of that story but I know you have a few things to tell from

your perspective.

TP: When I went to Michigan, I was working for Harry Bissonnett. Harry said, "Your job is to . . . you are qualified as a lobbyist. You have worked with our retained lobbyist who is Brad Price on legislative matters but we want you to work with DNR and the supervisor of wells, interface with them on regulatory matters, permits, getting units and all kinds" . . . Harry had gotten them to change the basic drilling unit from 40 acres to 80 acres. And they did it by sort of executive fiat rather than actually change the regulation, which was of questionable legality but nobody challenged it.

Ty: The drilling unit meant . . .

TP: When you got a permit, you designated a 40 acre tract as the unit for that well. The Michigan Oil and Gas Act was modeled after Oklahoma's and if you remember an old movie called "Oklahoma Crude," you had a well every 40 acres across this huge area. That is the kind of thing that could have happened in Michigan if everybody . . . with these pinnacle reefs, you could have a well every 40 acres and, of course, you do not want that from an environmental point of view. That is not the most efficient way to drain these pinnacle reefs anyway and I guess it worked in Oklahoma, for the most part, because there was so much acreage. A lot of acreage was one owner. Huge parcels, one owner. So, you could designate a 40 acre. But everything around

that belongs to the same owner, so there is no need to drill an offset well so you don't have a proliferation of wells where that situation exists as far as ownership is concerned. But in a place like Michigan where people went out and bought 10 acre tracts so they would have a vacation or hunting lodge or whatever, boy, you could easily have had wells every 40 acres. So, it was in our best interest and the DNR's best interest to at least go to 80 acres. And then, well, we were bringing petitions, and Harry told me I had to handle these petitions when we got gas, to expand it to 160 or beyond even. I got them to go beyond 160 a lot of times, but we sort of had to educate them as we went along. The idea being that you want one well . . . you do not want several wells to drain the same reservoir if one well can efficiently drain it. So, we would have two, three, maybe four petitions on every . . . the supervisor of wells had hearings once a month and we would have maybe two, three or four expanded unit petitions on every docket. So, those kept me very busy for a couple of years. But Harry said, "The main reason you are there is we need to drill in Pigeon River." He said, "You are going to have to get them to do that."

Right before I got up there, the head of the DNR was a guy named McMullen. He died suddenly of a heart attack. Then, this other guy took over who I cannot remember right now, and he was not in one year and he died of a heart attack! And then, Howard Tanner became the head of the DNR. We went round and round with him and I got quoted in a newspaper article, in the Detroit Free Press, that teed him off and as soon as I saw that article, I got on the phone to him. Well, I ran down to

the office . . . saw the morning paper, ran down to the office, put a call in to Howard Tanner right then and there to explain what I meant, and the quotes were taken out of context. And so, I was able to mend my fence with Tanner. But the guy that we really got on our side was Tom Washington. Tom Washington was the head, was the president of the Michigan United Conservation Clubs and he knew we wanted to drill. Whenever we went to meetings of the Natural Resources Commission or things like that, Washington was always there and Frank Mortal and I . . . Frank Mortal was the head of the Michigan Oil and Gas Association . . . we would always be sure to entertain him a little bit because he was very influential and besides, he was a charming guy – sort of a rough-cut guy but very intelligent and very amiable, affable guy. He became president of the NRA. He died, too, suddenly, of a heart attack in the 80s somewhere. If Washington had been president of the NRA when all of this stuff came about which all developed after the Reagan assassination attempt, if Washington had still been president of the NRA during then, he would have come and said, “Hey, let’s write some real good regulations here so that the people that want to hunt and do that, it is all right to have guns, can have guns and those that shouldn’t have them, and we will take the lead and we will get those regulations written, protect our people and protect the public also,” because that is the kind of guy he was, you see. But he wasn’t anymore and the NRA became this staunch defender of the constitutional right to bear arms.

Ty: An opening wedge to take all the guns away from people.

TP: Right.

Ty: So, you dealt with Washington?

TP: Yes. Washington came to see us one day in Lansing and we took him out to lunch at the lunch club they had there, City Club, in Lansing. Mortal and I took him to lunch. He said, "I have got this idea. If we could dedicate the state's royalties from production in the Pigeon River to a fund to be utilized by the state to purchase other sensitive lands and make them state lands, that this would be beneficial. You would get to drill the wells. This would be beneficial for Michigan to do this and beneficial to the environment and everything." It became known as the Camera Fund because it was legislatively enacted and Camera was the name of the legislator who put in the bill. When we took that to Tanner, Tanner bought that. And, of course, that would enable him to increase his power base, too, and get more state lands to manage. And so, the permits were issued but the Western Michigan Environmental Action Council opposed and we had a big lawsuit, had a six week trial, and we won. And under a special provision in the Michigan procedure, we were able to skip the Court of Appeals level and go to . . . Western Michigan Environmental Action Council was then able to skip the Court of Appeals level and go directly to the Supreme Court and the Supreme Court in a 4:3 decision, overturned the trial court. And instead of sending it back for a new trial, they decided the case themselves

which was a little bit unusual. You can do that if there is enough record but we did not think there was enough record there for them to make the decision themselves.

Ty: And Pigeon River was so sensitive because of the elk herd? Is that right?

TP: That was one thing but the main thrust . . . that is why I thought it should have been sent down for a new trial because elk had not been a real issue in the trial court. The issue was water mainly, ground water, fish. Big on fish. Trout. These crystal trout streams. Crystal clear trout streams and all that kind of stuff. That was the real thrust. That and the forest itself. The trees. It is beautiful country, in fall with the leaves and all that kind of stuff, it is really great. But it was a unique trial. The attorney for the Western Michigan Environmental Action Council came up with some letters written by Ernest Hemmingway. It seems that Hemmingway would come to the Pigeon River country there in Michigan to fish, and he wrote these letters to friends extolling the beauties of the Pigeon River State Forest in Michigan. And some guy at Wayne State University in Detroit was the custodian of these letters and the lawyer for the Environmental Action Council got those and attempted to introduce them into evidence.

Ty: What was the final decision again?

TP: It was based on elk.

Ty: And you were prohibited from drilling?

TP: Well, we got that overturned through legislative action. With that part of it over and drilling slacking down, I moved here to Houston . . .

End of Tape #1

Tape #2, Side 1

TP: . . . he got caught leaking locations to competitors and a big lawsuit developed over that. This mentioned extensively in that article.

Ty: But you originally got access to . . .

TP: Yes, and it did not turn out to be as productive as everybody thought it was going to be.

Ty: But through legislative action is how you . . .

TP: Yes, a special bill got passed. Well, two things happened: The DNR had been conducting a study on elk anyway. The Supreme Court cast its decision on elk. The DNR had been conducting a study of elk – putting sensors on them, putting some kind of sensor on them and sending them out where they would keep track of them and all that kind of stuff. I talked to the guy who was in charge of that and they just could not get any evidence that elk were affected in any way by the drilling that was going on up there around the Pigeon River forest. They tracked the elk, elk would go to a clear drilling location and browse because the leaves were more accessible at a place that was fresh cut like that, and found elk tracks crossing right next to Christmas trees, drilling rigs, guys feeding the elk, guys working on the rigs feeding

the elk when they would come by, and wrote a report that embodied all that. And so, being able to present that to the legislature saying that now it is obvious that the Supreme Court was wrong, enact a statute to specifically permit drilling in the Pigeon River Country State Forest, and that is what happened.

Ty: I am sure there was opposition but was it a big battle within the Michigan legislature?

TP: No, by this time, things had just kind of settled down. You wonder how these things happen. You know, you are a lobbyist – that is one of the hard things about being a lobbyist, is you never really know if it was something you said that made it successful or if it was just luck. I guess if it was successful, you could always take credit for it because if it was unsuccessful, you got the blame, so you just as well take the credit for it. But you knew in your heart of hearts that it was probably just luck or an idea whose time has come.

The worst guy was Edwin Edwards.

Ty: The worst kind of lobbying?

TP: No, he was as personable as you could imagine. He could charm the leaves off the trees, too.

Ty: You are talking about the governor of Louisiana?

TP: Yes.

Ty: I have heard stories about him.

TP: He was very tricky.

Ty: Do you mean he was a difficult person to lobby? Is that what you are saying?

TP: No, he was very accessible. I think he did what he wanted. Sometimes that helped you and sometimes it did not. But he was very accessible and very cordial always. Delightful and charming and all that kind of stuff. This is up there, read the sign.

Here I am doing a little ice fishing in a little lake up there. I do not know if you are interested in that. This is a picture of the house I lived in – one taken in summer and one taken in the fall. This is behind my house. Our house backed up on a ravine and they could not build in the ravine, so between our backyard and the backyard of the neighbor on the next street, there was all this open space. It was great for the kids and sledding and skiing and all that kind of stuff.

Ty: How long were you in Michigan?

TP: Five years.

Ty: That is interesting. Five years working on the drilling acreage in Pigeon River?

TP: Handling the hearings and going to the Commission meetings and all that. And finally, forced unitization, bringing forced pooling petitions. You know, when a reservoir begins to reach the end of its life, it may have been efficient to have several wells at different locations around the pool draining it but now, what you want to do is designate one well as the producing well and maybe inject water and other things in the other wells. And if the wells in the pool belong to other people, you have to force pool them into a unit and then you share the production from the producing well for the whole unit. So, we were doing that stuff. By the time I left, we were doing that stuff.

Ty: Mostly private?

TP: We had state lands under lease. The state lease sales were unique in Michigan. You don't know about that? By auction. By voice auction. I do not know anyplace else that does it that way, but all these people gather in this room and they would say, "O.K., tract such and so is up. Do I hear a bid?" And usually somebody would

start, “One dollar. One dollar an acre.”

Ty: You knew who your competition was on every parcel.

TP: Well, you would have to get somebody that nobody knew, so you would not give yourself away. So, we would bring some land man that had been working in California someplace all his career.

Ty: You did not have to announce who you were bidding for?

TP: No.

Ty: Just voice . . . So, there must have been a lot of games trying to figure out who was . . .

TP: Oh, yes. You would sit around and say, “Who is he?” And bidding would start at one dollar an acre and go off from there. And some people . . . they had a married couple from Detroit who came to all the lease sales. One of them had inherited some family money and so they would go to all the lease sales and they bought some tracts very cheaply – the stuff that Amoco and Shell and some of the others just thought was trash and they got some for one dollar an acre or maybe ten dollars an acre or something like that. And it turned out that they were valuable. You know,

with those pinnacle reefs, even with Shell's great seismic technology, you could still pass over one of those things. And so, after a while, they began to make money. They did not drill any themselves. They would then sell their rights for . . .

Ty: Did they know anything about them?

TP: They did not know a thing about them.

Ty: They just got word that this play was going on in Michigan?

TP: Yes, well naturally, you would see ads . . . the state put an ad in the paper announcing . . . there would be an announcement that was carried in the major papers around the state – an auction to lease state lands for drilling. That is one of the bones of contention we had with regard to Pigeon River. That was all state acreage and we said, “You put it up for lease for oil and gas, you cannot deny a permit. You can put limits on it or restrictions on it but you cannot deny it, otherwise, your lease sale was a sham.” They did not buy that argument though. You see, we never would have won that case in the trial court except that we were on the defendant side. If the Department of Natural Resources had denied the permits and we had brought a lawsuit saying you have to give us the permits, we never would have won. But by talking Tanner . . . with this Camera Fund scheme and everything . . . talking Tanner into issuing the permits with some special rules

applicable which we helped to draw up as well, then that gave us the chance to win in a trial court. And the lawyer for the West Michigan Environmental Action Council engineered the filing of his lawsuit so he would get the judge that we got because he was very sensitive to environmental issues. But if you looked at his decisions, what he was doing was affirming the state's position on environmental matters.

Ty: But then, he did not do that?

TP: What he did or the trial court did. And he did that. The lawyer for the West Michigan Environmental Action Council had selected that judge. He filed in that judge's court in order to get him because he thought he was environmentally oriented.

Ty: But he was merely just upholding . . .

TP: He was just upholding the state. And so now, the state wants to drill, so he is going to uphold the state and the state's experts, you see. And so, that is how we won in the trial court. That is what the Supreme Court overturned.

Ty: That is an interesting story. Shell had gotten most of its leases for the trend before you got there, right? Were you still leasing a lot . . . mainly, you were in the Pigeon

River?

TP: They had one lease sale during the five years that I was there and I think more than that, and Shell took part in all of them, and acquired acreage in all of them. But most of Shell's acreage was acquired before I got there.

Ty: I am just trying to remember how early it started, somewhere in like 1967 or so.

TP: The late 1960s, yes. Of course, they started kind of slow. Of course, they were still learning, testing the seismic. But by 1969, 1968-1969, they were really rolling and shortly after I got there, we had like twelve rigs running. That is a lot of rigs. You have got to get permits for all of those wells. It only took thirty days to drill a well. So, we were drilling twelve wells a month at that rate which is incredible.

Ty: Most of them paying oil.

TP: Early on, most of them were hitting. And that is why we were having two, three, four matters on the docket of the supervisor of wells every month to try and get an expanded unit just for the gas wells. We accepted the eighty acres for the oil wells and did not try to expand those.

Ty: That is a great story. I am going to have to borrow this article on Pigeon River.

TP: Oh, yes, you are welcome to borrow it. You can borrow anything you want. I would like them back.

Ty: So, after you came back to Houston . . .

TP: Well, for about one year, I continued to do Michigan work and I was flying up there every month because we were still having matters on the docket and I was handling these forced pooling petitions. Then I got transferred into head office. Then, I was still attached to Western E&P region.

Ty: Michigan was done out of Western E&P.

TP: Yes. Well, you know, when I first got transferred, it was handled out of the Midland office. But the Permian Basin and stuff we had in that area was slowing down and so, they were going to move that office to Houston anyway. And so, somebody came up with the idea of redesigning the company into a western region and eastern region, and it all took place sort of simultaneously. And when Harry Bissonnett first moved that office from Midland to Houston, he went into the Entex Building. So, when I transferred here to Houston, my office was in that group in the Entex Building. And I was there then until I got transferred into head office. Then, I moved to One Shell.

Before Michigan got assigned to Midland, it was handled out of Denver, I think.

Ty: Yes, that is right.

TP: But that was before my time. I am not sure how and why it got sent over to Midland and why Midland anyway because to get over from Midland to Michigan involved a change of planes in Dallas and another change of planes either in Chicago or Detroit.

Ty: So, you finished up work on Michigan and you moved to head office. What other things are you doing in head office?

TP: I got involved then in the coal business. That was the big thing that I worked on. Our group had all these little segments in head office, and our group was called Natural Resources. But it seems like to me we also handled international. But I did not work on international stuff. I got assigned to the coal business. I worked on the negotiations with the Crow.

Ty: Did you go to Billings?

TP: Yes, several times.

Ty: That is where I grew up.

TP: Is that right? The Rimrock. I always wanted to see a baseball game because they had a little baseball team.

Ty: Mustangs. Cincinnati Reds rookie league team.

TP: Yes. I passed by the ballpark many times. "I want to see a game." I never did get to see one. You land at the airport, it is on top of the mountain, you go down the mountain in the building. Beautiful country though.

Ty: That never did pan out for Shell . . .

TP: Well, things kept happening. My memory is a little dim but they kept . . . we would reach a level of understanding and then all of a sudden, it escalated. Sometimes, the federal agent was the one who would say, "No, you do not want to" . . . he would encourage them to escalate their demands. I think we finally agreed on something but then, it never got approved by the Indian Council or whatever.

Ty: So, did you work closely with Jack Mahaffey on the coal . . .

TP: On the coal business. Well, Mahaffey was in charge and when I initially went to

Michigan, he was in charge of that Midland office and he was involved in Michigan. That is how I first met Mahaffey. Now, I get back in the coal business and, of course, he is the head honcho in the coal company but mostly, I worked with Neal Isto who is like his number two guy. But Neal was into the nitty-gritty.

I helped to negotiate contracts. There was an Arkansas company we did some business with. I worked on the Peabody acquisitions. We bought a lot of property from Peabody Coal Company. There was another coal company. We went to New York in 1980, we went to New York to look at this coal company's properties. Eventually rejected it because we could not see the value that they wanted. The way that worked was there is a guy who worked for Isto who was in charge and you would have a finance guy, a mining guy and a lawyer to look at the titles to the property and any other legal questions involved, look at their liabilities, especially lawsuit liabilities and things like that. And they just were in horrible shape and wanted way too much money. I cannot remember what company that was but we did not acquire those properties.

I got into Lignite here in Texas. We had all these Lignite properties. They got a deal going with the Colorado River electric cooperative. They wanted to build a plant to expand their coverage, expand their area of service, and they wanted to fire it with Lignite. And so, we worked out this complicated agreement where we would mine this property, the lignite would all go to them and they would pay us so much

for it – the tonnages that were involved. But in order to finalize it, you had to have the approval of the Public Utilities Commission. It had a big hearing. It lasted months, off and on. And we eventually lost. You were going up against the established . . . this was a little co-op and the opponent was an established utility out of Austin. And they just ate our lunch. Well, they ate the co-op unless the co-op was the petitioner asking for the permit. And we were there just to show our part of the deal. Yes, they will be able to do this because we are going to give them the fuel and they will be able to generate all kinds of stuff. That was one of those times when I took the George Schoenberger approach and said, you are really throwing good money after bad. This is never going to get off the ground.

Ty: Was this Lignite or with coal in general?

TP: This proposition just was not going to fly. But nobody listened to that.

Ty: So, how long did you work with Shell mining on coal? Until it was done?

TP: No. What year was it? I moved here in 1978. In 1979, I went into Natural Resources and I was in Natural Resources for three years, four years. So, it was something like 1983 or 1984 . . . right at the tail end of that hearing in the Public Utility Commission. In fact, a bunch of us were driving up together to Austin for the last session of the hearing. We stopped in Brenham to get a cup of coffee and this

guy called his office and probably called Mahaffey or Isto or somebody and they told him, “The legal department is trying to get hold of Pfister. Is he with you?” So, I am waiting for him having my coffee and they come over and say . . . I was working for Al Powers at the time . . . they said, “Al Powers needs to talk to you.” So then, I got on the phone. We did not have cell phones. You had to go to a pay phone. So, I had to find a pay phone that they had been using in the supermarket there or something, and I called Al. He said I was being transferred to litigation. So, for a period of about five years, from like 1982 or 1983 to 1987 or 1988, I worked in litigation. Then, I wound up back in what is now SWEP. I wound up in the legal department for SWEP for the remainder of my career, from 1988 to 1991. Back doing Michigan work! They had the East Center Basin going then, the gas stuff over on the east side of the state going down. So, I got involved in that at the end of my career. And I handled some . . . that is how I got into litigation.

Litigation was crazy. What was happening was that, well, going back to the time when I was in Michigan, the deal they had with Travelers was that Travelers insured us up to X dollars and anything over that was cost-plus. So, they would pay the money but when they billed us at the end of the year, we owed them with a percentage added. And so, they decided we needed to handle more stuff in-house so we would not have this big bill from Traveler’s. They tried to negotiate a better deal with Traveler’s but at some point, Travelers had to go to cost-plus in order not to be eaten up themselves. So, they organized the litigation department and I got

transferred into it because there was a little bit of a scandal involved in one of the litigators. This guy created a file called *Mattel v. Shell Oil Company* and found there was a petition, pleadings, but they were all fictitious.

Ty: The Mattel Toy Company?

TP: Well, it was supposed to be an individual. *Al J. Mattel v. Shell Oil Company*. If it was an injury case - a guy got injured in the North Sea or something, it was a trend at that time that personal injury lawyers tried to do, was if it was a company . . . if they got injured anywhere in the world and it was a company that was suitable in a favorable jurisdiction, they would sue him there. And so, we were getting sued from people who got hurt in the North Sea, we got sued here in Houston. And we would have to go through the trouble of filing a motion saying that was Royal Dutch, not Shell. We are related. We are not the same company. You get into a whole discussion of just how interconnected the companies were – to see if there was some basis for the court taking jurisdiction. Sometimes, we would win, sometimes we would lose depending on what the situation was. If the plaintiff were somebody from France, probably the court would not take it but if the plaintiff was somebody from Texas who was working over there for Shell UK who got hurt, they would take the jurisdiction. So, that is the kind of case he filed up. You see, it was a guy working the North Sea and he was suing here in Texas. You had this whole petition. You filed an answer, he had a copy of an answer and he finally had a motion to

produce documents or something like that, things like that in the file. England for his own personal pleasure, pretending that he was attending a deposition in London in the Mattel case and putting it on his expense account, and they caught him.

Ty: Someone asked him about the Mattel case?

TP: Yes, what happened was the head of litigation was Dan Bruce and he got moved to another department. And James Evans became the head of litigation. James is a methodical kind of guy. He started going through . . . we had our computer system by that time and every new pleading and so forth, they would have go to into the computer. So, he would get a computer printout of all the cases. On taking the job, that is what he did. He got a computer printout of every case that the litigation department was handling and he started going through them. And, of course, a lot of them, it was just one sheet but some were a little more complicated than others. It got to each one, he had some question, they called that lawyer in and would say, “What about this?” and get an explanation. And so, whenever he got to the Mattel case, he called this guy in and he was not happy with the answers he was getting. So, this guy was doing that and they fired him and I got brought in to litigation.

Ty: That is interesting. This issue of jurisdiction or what is Shell Oil’s business versus Royal Dutch Shell’s business. At the same time, around that time, I believe, you had the South Africa boycott which, you know . . . Shell Oil was not operating in South

Africa but I know there were protestors downtown during all of that and it got pretty intense because there was some bill that had been introduced to restrict Shell's access to federal offshore like acreage.

TP: Yes, that was until they cured their situation in Africa.

Ty: Was litigation involved in any of that?

TP: No. I do not know who was involved in that.

Ty: Public affairs maybe.

TP: Yes.

Ty: Was Jess Johnson involved?

TP: Yes, he had been deeply involved. But the only place I ran across that was I tried a case in New Orleans and I was not in the litigation department. This was the last case I tried and I was in the SWEP group. But somehow, I got asked to handle this case and it was a dealer case. A Shell dealer had sold his franchise to somebody else. This guy was an engineer from Italy but he was in this country and he could not get work as an engineer so he became a Shell dealer. But he was looking for

work as an engineer and he got a job in Chad. So, he sold the franchise in order to go to Chad. And you had to do a bulk sale and they have laws that apply to a bulk sale. There is a broker who comes in and he inventories the goods and then he accepts the payment from the purchaser and gives it to the seller. And then, he turns over the inventory to the buyer. Because since it was a Shell dealership, according to our franchise contract and the deal of law, the franchise law, federal law in effect covering those situations, we had to give approval to the purchaser who is now going to be a Shell dealer. We investigate this guy and he had a couple of other businesses that were doing real well. But what we did not know was he was a druggie.

Ty: He was a drug dealer or user?

TP: Both. Well anyway, when he brought the check and he gave it to the broker, he said, "Don't cash this until tomorrow." Well, the broker went to the seller then and explained to him the situation and the seller wanted to go to Chad so he said, "All right, I will go ahead and take a chance." Well, the check was no good and he went off to Chad with this guy promising him to send him the money which was like \$50,000. Well, he never got it and civil war broke out in Chad and he never got his job either. So, he came back and he got another Shell business. But in the meantime, he sued . . . we had gotten rid of the dealer because he was dispensing drugs out of the station. And so, we terminated the dealership and kicked him out.

So, this guy came back and sued him but he turned around and sued the broker. The broker brought us in on a third party complaint, saying that we never should have let this happen either. Well, we did not even know about it.

So anyway, I went to New Orleans to try that case. It went to trial. I did everything I could to avoid getting at the same table with our druggie dealer. Well, I got stuck sitting at the same table with this guy and his lawyer. The judge, at one point, kicked him out of the court room because he fell asleep at the table. He wore this awful suit. It was a double-breasted, cream colored suit that had a cherry red pinstripe all up and down it. And he wore it without a shirt, so he just had his bare chest showing under the double-breasted suit. So anyway, the point of all this . . . you know, I get involved in these stories but the point is that having the jury *voir dire* as we say it in Louisiana, in federal court, the judge conducts the *voir dire*. You submit him questions but he asks them. I had submitted him a whole list. So finally, he called us all up to the bench and he said, "I am about through. Did I cover everything that you guys wanted covered?" So, I said, "Everything but one question that I submitted on my list, Judge. I would like you to ask this jury if they have any grudge against Shell for any reason whatsoever." So, he said, "O.K." He turned around right there and he said, "Does anybody here have a grudge against Shell for any reason at all? Maybe you got a load of bad gas one time or something? Tell me." And this one woman raised her hand, and I had her down for a favorable juror. She raised her hand. He said, "What is the problem? What problem do you have

with Shell?” So, she said, “I object to Shell supporting Apartheid in Africa by the way it conducts business over there and we have protested against that and I hold that against Shell Oil.” So, he excused her. He excused her for cause. I did not have to use a challenge. But that is the way I ran across that.

Ty: What else was going on in litigation at the time?

TP: Well, when I got in there with James, Dan Bruce previously had divided litigation into two groups depending on what kind of cases they were handling, and the guy who got fired was the head of one of those groups. So, in stepping into his taking his job, I was in charge of one of those groups. But James wanted to change it and do it geographically – east and west. And so, I got east and I was in charge of litigation east of Houston. And west then, Steve Long was in charge of west and he got everything from Houston west. And so, most of my litigation was in New Orleans. Well, we had a big explosion at Norco and we got involved with that but we eventually turned that over to outside counsel but we still worked with outside counsel on that.

Bill Lowry had a big case in New Orleans also – one of the first cases where we did a shadow . . . shadow jury is not exactly the right word . . . where we hired a jury and made a presentation to just people randomly selected – told them we would pay them so much if they stayed a few hours and listened to this case, and telling us what

their decision would be. And we did not do a whole trial – we just had one lawyer present the plaintiff’s case, one lawyer present the defendant’s case just in a lecture format. And then, ask them how they would decide the case. They did not like what Shell did in that case, so we were able to know how we needed to settle the case.

Ty: That is interesting.

TP: It was a very interesting process. That was a commercial case. It did not involve injuries or anything like that. It was a contract kind of thing. I cannot remember anymore what the deal was. It was some kind of contract.

Ty: Well, I am going to take a rest for the afternoon, so maybe we should finish up here. What year did you retire?

TP: 1991. My last day at work was Halloween of 1991.

Ty: That is great. Well, if there isn’t anything else you want to say, we can shut off the tape right now. We could always pick up or add more later.

TP: O.K.

THE END

