Every Landman Wants One!

Volume V, Issue 5

November, 2010



Presidents Message

Stephen T. Harris, CPL

The topic of the next Speaker for our LAAPL meeting on November 18, 2010, will be "Oil and Gas Operations in the Los Angeles Basin. Don Clarke, Geologist for Occidental Senior Petroleum Corporation, among other clients, and current President of the LA Basin Geologic Society and the Pacific Section of AAPG, will discuss drilling and operating operations within the LA Basin; which may be quite a topical for some landmen active in the LA Basin today.

Before I discuss this topic, a little update on the Gulf Macondo well tragedy.

It appears the Macondo well operator's actions did not sacrifice safety to save money, according to various press releases issued today. *The Oil and Gas Journal* states; "decisions made in the hours before the Macondo deepwater blew out on April 20th apparently did not subordinate safety to save money, the chief investigator of President Barack Obama's independent oil spill commission said as the panel, which is investigating the accident and subsequent oil spill, began a two day

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hearing on November 8, 2010." Reading further, "some steps appear questionable in retrospect, but may never be fully explained because people who may have made important decisions were among the 11 workers killed (the day of the incident)." I believe that sums it up for now.

However, the ban on Gulf of Mexico drilling, having been recently lifted, did not alleviate the pessimism of the Gulf workers as the ban has now morphed into "Obamatorium," where the federally drilling moratorium mandated technically lifted. However, the drilling has not rebound due to the Obama's Administration permitting delays, even in shallow water. The resulting shortage of fuel resources will most likely occur in two years when the economy may again be on the rise; about the time Obama will be seeking re-election from voters angry over the high price of fuel because of this Obamatorium.

Speaking of elections how could I not comment November's national tsunami of political will sweeping the country – except in California? The issues that impact LA Basin landmen, engineers, geologists and so forth will mostly be a déjà vu walk through a "moonbeam" of liberal, environmental, anti-oil, unionized demagogues looking to marginalize oil and gas operations throughout California.

Those of us, who have worked California over more than a few decades, take some comfort in the ebbs and flows of the political cycles. We have learned, not unlike a Bantam-like "death march," to wade our way through icebergs of political ill winds and a public that thinks most of us who work in the oil business are either J.R. Ewing, the night time soap opera oil magnate, or are just plain highwaymen stealing the life blood



"Derricks After the Rain" Artist - JoAnn Cowans www.blackgoldprints.com

Meeting Luncheon Speaker

Our luncheon speaker will be consultant Don Clarke, Petroleum Geologist, of Los Angeles. Mr. Clarke completed his undergraduate studies at CSU Northridge where he received his BS - Geology; he has attended graduate school at CSUN, CSULA and CSULB. In 1974 he took a position as an Energy and Mineral Resources Engineer at the California State Lands Commission in Long Beach. There he worked on the California offshore and the Wilmington Oil fields. In 1981 Don went to the City of Long Beach as a Senior Geologist for the Department of Oil Properties and eventually retired from the City. Some of his current clients include Occidental Petroleum, Signal Hill Petroleum, the City of Beverly Hills, the Jurassic Park Foundation and Glamour Magazine. Don taught geology at Compton Community College for fourteen years

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Editor's Corner

Joe Munsey, RPL **Newsletter Chair** Southern California Gas Company

There no longer exists a mutinous and recalcitrant Newsletter Chair of this fine publication. At our September luncheon, Chapter President, Steve Harris, CPL, bravely appointed the past Newsletter Chair the responsibility to carry on the tasks of the Chair for another year.

I too am a bit bewildered, as is the Chapter President, on California politics when compared to the rest of the country, which took a shift earlier this month. Californians are stuck with Progressives and their ways. Which brings up the point when using the term "progressives," where did the term come from and how did the current hooligans, er liberal Democrats, begin using the moniker, "Progressives?"

As you may recall, several years ago the liberals in the Democratic Party began identifying themselves as Progressives instead of using the term "liberal." It seemed being labeled with the big "L" was no longer radically hip as it denoted a negative label. It may have been a chic way of separating the Blue Dog Democrats from the liberal fraction of the Democratic Party.

I will admit to this, when first hearing the term I thought to myself, "Did the Liberals pay big bucks to the Madison Avenue crowd to come up with a cunning term to use on the unsuspecting public?" At first it had that "Got Milk" theme and the Democratic Party was off and running with a new brand for their party. The same twaddle, but nevertheless, a new name to trick the party faithful, that is, the Democratic Party faithful who seem to believe they are the party of Henry "Scoop" Jackson, Harry Truman, Hubert Humphrey and the like.

At first thought, I began to wonder why the conservatives were beaten to the punch by not coming up with a clever expression to give the face of conservatives a new branding, a new appearance, a new look. All is not what it appears. Once you look under the covers of what Progressives stand for, one finds out a liberal - or a progressive is one and the same. Big, fat, heavy handed, minding everybody's business N'er do wells wanting to run everything and everyone, even what you do under the covers.

It took some time for me to catch on what progressivism is all about. I figured the Liberals were up to something and it was not just a name change; they were still pushing forward with their "form of governance" using Madison Avenue techniques....sell the sizzle and you will get the public to buy it. But the plot thickens as one looks into the history of what progressivism is all about.

In the December 31st, 2009 issue of the National Review, several authors named names and wrote profiles of each of these named individuals. We have Richard way, "Personal liberty is awesome, so social gospel. John Dewey, he was fashionable plants." Guess all is not social theory to obscure just how radical face. its principles were - sounds familiar - To clear the fog and shed some sunshine Supreme Court Justice, Oliver Wendell at our November 18th luncheon at the Homes, Jr.; to this "supreme," morality had nothing to do with the law; it Before I leave you for the remainder Bismarck of Germany fame.

Jonah Goldberg in the November 1st, 2010, issue of the National Review writes wryly about these new Progressives as the "Party of Shut Up;" that is, either join and believe in their vision or just shut up. Jonah cleverly puts into another

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Ely, the proselytizer of the progressive long as you eat the right food and smoke responsible for repackaging progressive what it appears - new name but the same

have begged the Socialist party to give on the matter of drilling in an urban itself a new name due to the fact the term environment, we have a wonderful "socialist" had a negative connotation. speaker lined up to address the subject Long Beach Petroleum Club.

amounts to no more than a state of mind. of the year, and we often repeat this, And last but not least, Herbert Corly, support our troops and keep them in the American Bismarck, as in Otto Von your prayers. Enjoy your Thanksgiving and be thankful for this year's blessings. Bask in the joy of Christmas, or Hanukkah, and spread peace on earth towards all. I, for one, still say, "God Bless America!"



Lawyers' Joke of the Month

Anonymous

A lawyer and a senior citizen are sitting next to each other on a long flight.

The lawyer is thinking that seniors are so dumb that he could get one over on them easy.

So the lawyer asks if the senior would • like to play a fun game.

The senior is tired and just wants to take a nap, so he politely declines and tries to catch a few winks.

The lawyer persists, saying that the game is a lot of fun. I ask you a question, and if you don't know the answer, you pay me only \$5. Then you ask me one, and if I don't know the answer, I will pay you \$500, he says. This catches the senior's attention and to keep the lawyer quiet, he agrees to play the game.

The lawyer asks the first question; "What's the distance from the Earth to the Moon?"

The senior doesn't say a word, but reaches into his pocket, pulls out a five-dollar bill, and hands it to the lawyer.

Now it's the senior's turn. He asks the lawyer, "What goes up a hill with three legs, and comes down with four?"

The lawyer uses his laptop and searches all references he could find on the Net. He sends e-mails to all the smart friends he knows; all to no avail. After an hour of searching, he finally gives up.

He wakes the senior and hands him \$500. The senior pockets the \$500 and goes right back to sleep.

The lawyer is going nuts not knowing the answer. He wakes the senior up and asks, "Well, so what goes up a hill with three legs and comes down with four?"

The senior reaches into his pocket, hands the lawyer \$5 and goes back to sleep.

Our Honorable Guests

Our September luncheon was well attended by members and guests. Our guests of honor who did attend:

- Christine Song, Contract Land Staff
- Jack Nichols, Continental Energy
- Paul Groslouis
- Doug Donath, KCDL
- Karen Tripp, Oxy Long Beach
- John Zieger, Zeigcom
- Paul Langland, Langland Law

Scheduled LAAPL Luncheon Topics and Dates

November 18th

Don Clarke, Geologist

"Urban Operations in the LA Basin"

January 20th

Joint Meeting with Los Angeles Basin Geological Society

March 17th

Martha Cheshire, CPLTA

Independent Current Director and Past President of the National Association of Professional Lease and Title Analysts

"Records/Maintenance of Your Oil and Gas Leases"

Officer Nominations

May 19th

Steve Stafford

ADR West

Mediation – Alternative Dispute Resolution

Officer Elections

On the Cover

JoAnn Cowans painted in the Venice oilfields in the early 60s and in the North Orange County fields more recently. Her work is in numerous oil museum and corporate collections. She is the only artist to have received Petroleum History Institute's "Keeper of the Flame Award" (2007) for recording oil history.

Her work is chronicled in the book, "Black Gold®, the artwork of JoAnn Cowans."

The book and prints of her paintings are available at www.blackgoldprints.com.

The painting shown, "Derricks After the Rain" is a scene from Brea Canyon painted in 1998.



Treasurer's Report

\$8,544.77
TBD
TBD
TBD

New Members and Transfers

Our Chapter Board of Directors welcomes the following new member to the Los Angeles Chapter:

Transfers

None to Report

Corrections

Editor: We erroneously listed in our last issue that **James A. Garner of Forest Minerals Corporation** had become a member. We apologize for any inconvenience this may have caused.

Chapter Board Meetings

The 2010 – 2011 Board of Directors held its first board meeting in September. Some items dicussed:

- LAAPL acting as Proctor for AAPL examinations
- WCLI education material on CD for sale
- Website
- Notice of meetings
- Other matters notes of meeting can be reviewed upon request

The Board of Directors regularly holds its meetings on the third Thursday of the month at 11:00 AM at the Long Beach Petroleum Club. Board meeting dates coincide with the LAAPL's luncheons.

We encourage members to attend and see your Board of Directors in action.

<u>President's Message</u> <u>continued from page 1</u>

from a beneficent Mother Nature.

The good news coming from our drilling successes in the "unconventional plays" is mostly about the success of source rocks and shale plays. The source rock kitchens I am most familiar with covers the San Joaquin, Ventura and the Los Angeles Basins. There are truly giant resource potentials for shale in these basins that could far exceed previous conventional cumulative oil production. Taking full advantage of the potential for these basins will be an impressive accomplishment, considering billions of barrels of oil these basins have previously produced.

Currently, over 1/4th of Oxy's production comes from various "shales" and they have successfully tested the concept in eight more fields. We are currently appraising 20+ BBOE in places from "most likely" targets averaging about 10 – 15 test wells per year in different areas. We learn everyday what the drivers for successful California shales will be. Large acid treatments and hydraulic

fracturing techniques are deployed his bag of public infrastructure projects regularly to gain better reservoir to put Californians back to work, which characterization and management means building more power generation capacity. We know Sacramento will economics. These developments bode try to tax us with new laws, but the well for the future of California landmen and geo-scientists in the basins.

The downside is our political landscape. This week's *Wall Street Journal* says, "California faces a 'hole' of at least \$80 billion dollars over the next four years. California is obsessed with climate change...which is why the State has created a law to tax carbon emissions – no matter that it will kill jobs."

As professional landmen, we will have to adapt to the changing landscape and just simply be erudite while navigating the political and environmental turbulence in the foreseeable future. We already know that permits for new well drilling along the California coastline are just a memory, but we also know that onshore, we are using all the iron that is out there and then some.

We know that "moonbeam" Governorelect Jerry Brown will try to push oil into oblivion, but he still has to deploy

to put Californians back to work, which means building more power generation capacity. We know Sacramento will try to tax us with new laws, but the Lt. Governor-elect Gavin Newsom, has no issue about flouting state law by allowing same-sex marriage. We know that Barbara Boxer (that's Senator Boxer), just re-elected for a fourth term, will throw everything she has at her disposal against the oil business. She comforts herself knowing the response from the state to the millions of dollars spent to entice the voters of California to change their ways, only lead to the state telling such donors to go and kick rocks.

So there is good news and bad news, which really means things are about normal regarding the challenges landmen face in the LA Basin and up and down the Golden State. One final thought, and this one is for Joel Miller, a friend who will be leaving for New Mexico soon, and it is a quote at the bottom of every email he sends out. From the desk of John Paul Getty: "The meek shall inherit the earth, but not the mineral rights."

<u>Luncheon Speaker</u> <u>continued from page 1</u>

and currently teaches petroleum geology at USC.

Don has published over 60 papers on petroleum geology, including three guidebooks on Southern California oil fields. He has been active in the AAPG, Past President of the LA Basin Geologic Society, President of the Pacific Section AAPG and Chairman of the AAPG House of Delegates. Don was a technical advisor and appeared in the Swiss film "A Crude Awakening", the National Geographic television program "Gallon of Gas," and the PBS television program "LA's Hidden Wells."



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Educational Corner

Congratulations go to our Chapter President who recently obtained his Certified Professional Landman designation:

Stephen T. Harris, CPL, Independent

Need continuous education credit? You can generally earn them by attending our luncheons based upon speaker and subject matter. Listed below are continuous educational courses available for the fourth quarter of 2010.

Urban Operations in the Los Angeles Basin

Presented by the Los Angeles Association of Professional Landmen

When: November 18, 2010

Where: Long Beach, CA [L.B Petroleum Club]

RL/RPL Continuing Education Credits: 1.0

CPL Recertification Credits: 1.0

JOA Workshop

When: December 2, 2010 Where: Denver, CO

RL/RPL Continuing Education Credits: 7

CPL Recertification Credits: 7

WI/NRI Workshop

When: December 3, 2010 Where: Grapevine, TX

RL/RPL Continuing Education Credits: 6

CPL Recertification Credits: 6
NADOA and NALTA Credits: 6

Basic Mapping & GIS 101

Blackbeard Data Services, LLC

When: January

Where: Bakersfield, CA

RL/RPL Continuing Education Credits: 6

CPL Recertification Credits: 6

Sample of Home Study Courses Offered by AAPL [Includes Cont. Ed. Credits]

• Environmental Awareness for Today's Land Professional

• Due Diligence for Oil and Gas Properties

• Historic Origins of the U.S. Mining Laws and Proposals for Change

• Common Law Environmental Issues and Liability for Unplugged Wells

Ethics Course

For information regarding home study courses, speakers, topics and cost please go to www.landman.org.

WI/NRI Workshop

When: December 2, 2010 Where: Fort Worth, TX

RL/RPL Continuing Education Credits: 6

CPL Recertification Credits: 6 NADOA and NALTA Credits: 6

JOA Workshop

When: December 2, 2010 Where: Oklahoma, OK

RL/RPL Continuing Education Credits: 7

CPL Recertification Credits:

Case of the Month



Having Your Cake and Condemning It Too: Can Asserting Eminent Domain Power Constitute Breach of Oll and Gas Lease

By: John Allen Chalk, Sr., Esq.¹

Originally published in Basin Oil & Gas magazine, www.fwbog.com.

Texas gas utilities, as defined in the Texas Natural Resources Code² and the Texas Utilities Code, have the power of eminent domain. These privately-owned companies that qualify as gas utilities exercise condemnation power to take temporary and permanent easements for the construction, maintenance, and operation of pipelines for the transportation of oil, natural gas, and related substances resulting from oil and gas exploration and production. Many of these gas utilities are wholly-owned subsidiaries of private and public oil and gas producers and operators. If these gas utilities cannot obtain agreed pipeline easements from surface owners, they have the legislative power to take these pipeline easements by statutory force of eminent domain. There are very few and specific defenses to this taking for pipeline easements.

Surface owners who also happen to be mineral owners often are surprised to learn that what the oil and gas producer, who is also the parent owner of the gas utility, promises as a lessee not to do in an oil and gas lease, the lessee's wholly-owned subsidiary who is a gas utility can do with impunity. With the advent of large scale urban natural gas exploration and production, this heretofore unnoticed dichotomy between what the oil and gas producer, as an oil and gas lessee, promises in an oil and gas lease not to do but the lessee's wholly-owned subsidiary can do with impunity, has created dismay and consternation with many surface owners who relied on their oil and gas lease pipeline prohibitions. Public safety and other issues related to the dramatic increase in urban construction and operation of natural gas pipelines have prompted many well-informed surface owners, with mineral rights, to retain lawyers and to negotiate the oil and gas lease with great care for prohibitions on the lessee's surface use and pipeline construction. These prohibitions and restrictions vary but generally aim at preventing the use of the surface for pipeline easements.

When the lessee wants to construct a pipeline prohibited by the well negotiated and carefully crafted oil and gas lease, and the lessor landowner continues to resist the lessee's request, the lessee's wholly-owned gas utility takes up the negotiation and when all else fails, files a condemnation lawsuit under the Texas Property Code³. Then begins the battle between the frustrated surface owner with an impotent pipeline prohibition and the gas utility with the power to take.

The surface owner's first reaction naturally is to cite the existing oil and gas lease that prohibits pipelines on the landowner's property to the gas utility. The gas utility quickly responds that it is not a party to the existing oil and gas lease and then cites its statutory power to take the pipeline easement - including both a temporary construction easement as well as a permanent pipeline easement. In some cases that taking now being forced on the surface owner involves more than one pipeline, with no size or route limitation, including the right to transport all kinds of substances through the line or lines to be constructed by eminent domain power. And, this right for almost unlimited kinds of uses, including the right to replace, repair, and install additional lines, is perpetual subject only to egregious conduct by the condemnor⁴.

The oil and gas producer and the gas utility are separately formed business entities formed under Texas or other state law. The laws of this state, and other states, protect each of these business entities - the oil and gas producer vis-à-vis the gas utility - from responsibility for each other's obligations and responsibilities. Shareholders of Texas corporations, as an example, are protected by statute from liability for the corporation's obligations except when the shareholder "caused the corporation to be used for the purpose of perpetrating and did perpetrate an actual fraud on the [person or entity owed an obligation by the corporation] primarily for the direct personal benefit [of the shareholder]." Regardless of the business entity form, Texas courts have been extremely reluctant to "pierce the corporate veil" or disregard the corporate entity to make another person or entity liable for the other party's obligations.

So what does the hapless landowner do when sued in condemnation by the wholly-owned gas utility whose parent or owner has previously promised the landowner (in an enforceable oil and gas lease) that the parent would not build a pipeline across the landowner's property? The landowner learns, too late, (1) that the lessee-owned condemnor does have the power to take granted by the Texas legislature, (2) that the oil and gas producer/lessee is not a party to the condemnation, (3) that the court in which the condemnation occurs probably will not add the producer/lessee as a party to the condemnation, (4) that the oil and gas lease doesn't bind the condemnor, and (5) that the Texas Rules of Evidence may be interpreted by the condemnation court to forbid the introduction of the oil and gas lease and its pipeline prohibitions to the condemnation jury.

Case of the Month continued from page 6

There are, however, equitable common-law doctrines developed by Texas courts that permit the separate business entity fiction to be disregarded⁶. When a business entity is organized and operated as a mere tool or business conduit of another business entity, the separateness of the two may be disregarded by a Texas court. But the recent demise of the "single business enterprise" as a means of imposing the lessee's oil and gas lease obligations on its wholly-owned gas utility/ condemnor makes it harder for the landowner with a gold-plated lease prohibition to get that pipeline prohibition into evidence in the condemnation trial. These common-law equitable ways to collapse separate business entities are highly factual and, in most instances, require a showing of actual fraud by the entities. The frustrated landowner/lessor does have the equitable defense of "abuse of discretion" by the condemnor to stop the condemnation. But this abuse of discretion defense has to be established by the landowner showing that the gas utility/condemnor acted fraudulently, or in bad faith, or arbitrarily and capriciously in the condemnation9.

Surface owners, who are also mineral owners, cannot be confident that a pipeline prohibition in an oil and gas lease will protect their land from pipelines. A third-party, totally unrelated gas utility certainly will not be impeded in condemnation by the oil and gas lease to which it is not a party. But the gas utility/condemnor, wholly-owned by an oil and gas producer with an existing lease of the subject property, may be found to have abused its discretion in the taking. This finding by a condemnation jury would allow the court to disregard the business entity separateness and prohibit the taking of the pipeline easement.

¹ John Allen Chalk is a partner in Whitaker, Chalk, Swindle & Sawyer, LLP, Fort Worth, Texas and has practiced oil and gas law domestically and internationally since 1978. This article is a brief summary of an article to be published in the Texas Wesleyan University Law Review Energy Symposium. Rebecca Eaton, a lawyer for Whitaker Chalk and Amber Altemose, a recent graduate of TWU School of Law and law clerk to Chalk, assisted with the pending Law Review article.

- ² TEX.NAT.RES.CODE §91.173(2); TEX.UTIL.CODE §§101.003(7) and 121.001.
- ³ TEX.PROP.CODE. ch. 21.
- ⁴ See Texas Power & Light Co. v. Casey, 138 S.W.2d 594, 597-98 (Tex.Civ.App.-Fort Worth 1040, writ dism'd judgmt cor.); Koelsch v. Industrial Gas Supply Corporation, 132 S.W.3d 494 (Tex.App.-Houston [1st District] 2004, pet denied).
- ⁵ Tex.Bus.Org.Code §21.223.
- ⁶ See Pacific American Gasoline Company of Texas v. Miller, 76 S.W.2d 833 (Tex.Civ.App.-Amarillo 1934, writ ref'd); Castleberry v. Branscum, 721 S.W.2d 270, 272 (Tex.1986); SSP Partners & Metro Novelties, Inc. v. Gladstrong Invs (USA) Corp., 275 S.W.3d 451, 455 (Tex.2008).
- ⁷ See Pacific American, 76 S.W.2d at 850-851; Castleberry, 721 S.W.2d at 272; SSP Partners, 275 S.W.3d at 454-55.
- ⁸ See SSP Partners. 275 S.W.3d 444.
- ⁹ See Malcomson Road Utility District v. Newsom, 171 S.W.3d 257, 268-269 (Tex.App.-Houston [1]



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Guest Article

The Boustrophedonic Pattern - What? James "Mike" Hart, PLS, CFedS Surveying & Engineering Chair for Region 1 and Chapter 11 (IWRA) Towill, Incorporated

mike.hart@towill.com



The term boustrophedonic means "as the oxen plows" or "as the oxen turns," and it is easy to see how that description nicely fits the boustrophedonic pattern shown to the left. So, how does this apply to those of us who are in the land and/or right of way profession?

As you may know, in the U.S. Public Land Survey System (PLSS), the foundational land fabric for most of the United States, the 6 x 6 grid of 36 sections in the township are numbered beginning with "1" in the northeast corner of the township, then alternating east to west then west to east until

reaching the last section "36" in the southeast corner. In Canada, the Dominion Land Survey (DLS) also uses boustrophedonic numbering, but its maps start numbering in the southeast corner.

This numbering scheme is not an invention of the modern era, but it is a characteristic of several early languages. It was used in ancient Egyptian hieroglyphics and Greek manuscripts prior to 600 B.C., and mirrored boustrophedonic writing is demonstrated in the Rongorongo language on Easter Island's stone head statues. While Rongorongo has never been deciphered, anthropologists have determined its boustrophedonic pattern also rotates every other line of text 180° vertically. Because those of us in land and right of way so heavily rely on surveying maps, we can be thankful that the cartographers who designed the public land systems chose basic boustrophedon and not mirrored boustrophedon!

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If there is any doubt as to all the good our donations to the Pyles Boys Camp provides, read the following open letter to the LAAPL from Hector Pena.



R.M. Pyles Boys Camp Building a Better America

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Guest Article II

Poland Discovers Oil before Canada or USA?



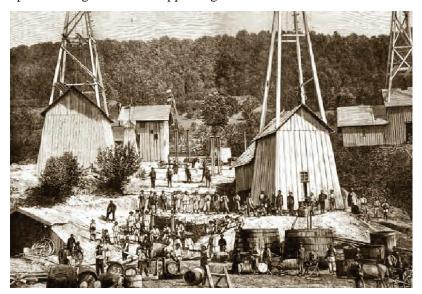
Jan Józef Ignacy Łukasiewicz (1822 - 1882) was a Polish pharmacist and petroleum industry pioneer of Armenian descent, who in 1856 built the first oil refinery in the world.[1] Among his other achievements were the discovery of how to distill kerosene from seep oil, the invention of the modern kerosene lamp (1853), the introduction of the first modern street lamp in Europe (1853), and the construction of the first oil well in Poland (1854).[2]

Łukasiewicz became a wealthy man and one of the most prominent philanthropists in Galicia. Because of his support for the economical development of the region, a popular saying was coined attributing all paved roads to his guldens.

Ignacy Łukasiewicz was born March 8, 1822 in Zaduszniki near Mielec, in the Austrian empire (after the partition of Poland). His parents were Apolonia née Świetlik and Józef Łukasiewicz, a member of local intelligentsia and a veteran of Kościuszko's Uprising. His parents rented a small manor in Zaduszniki, but soon after Ignacy's birth had to move to Rzeszów due to economical difficulties. There Ignacy started his studies at the local gymnasium, but had to abandon it in 1836. To help his parents, Ignacy Łukasiewicz moved to Łańcut where he started to work as a pharmacist's assistant. At the same time he became involved in various political organizations supporting the idea of restoration of Polish

sovereignty. In 1840 he returned to Rzeszów, where he continued to practice at the pharmacy of Edward Hübl. In 1845 he met Edward Dembowski, who admitted Łukasiewicz to the illegal Centralization of the Polish Democratic Society. The aim of that organization was to prepare an all-national uprising against the partitioning powers. Because of that, on February 19, 1846 Łukasiewicz was arrested by the Austrian authorities and imprisoned in Lwów. On December 27, 1847 he was released from prison due to lack of evidence, but for the rest of his life he was regarded as politically insecure. He was also ordered to remain in Lwów.

There Łukasiewicz started working for the Pod Złotą Gwiazdą pharmacy owned by Piotr Mikolasch. On his insistence Łukasiewicz was allowed to leave Lwów and join the Kraków University. After several

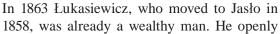


years of studies, financed mostly by Mikolasch, he managed to pass all his university examinations except pharmacognosy, which prevented him from graduating. Finally, on July 30, 1852 Łukasiewicz graduated from the faculty of pharmacy of the University of Vienna. He then returned to Lwów. Łukasiewicz had long been interested in the potential of seep oil as a cheap alternative to the more expensive whale oil. In 1853 Jan Zeh,[3] together with his associate Łukasiewicz, was the first in the world to distill clear kerosene from seep oil, Canada's Abraham Gesner having first refined kerosene from coal in 1846. On July 31, 1853, Łukasiewicz made one of his kerosene lamps available to a local hospital to illuminate an emergency surgical operation[4]. The date is considered the starting point of modern oil industry.

In early 1854 Łukasiewicz moved to Gorlice, where he continued his work. He set up many companies together with entrepreneurs and landowners. That same year, he opened the world's first oil "mine" at Bóbrka, near Krosno (still operational

Guest Article continued from page 10

as of 2006). At the same time Łukasiewicz continued his work on kerosene lamps. Later that year he set up the first kerosene street lamp in Gorlice's borough of Zawodzie. In the following years he opened several other oil wells, each of them as a joint-venture with various local merchants and businessmen. In 1856 in Ulaszowice near Jasło he opened an "oil distillery", that is the first industrial oil refinery in the world. As the demand for kerosene was still low, the plant initially produced mostly artificial asphalt, machine oil and lubricants. The refinery was destroyed in a fire in 1859, but was rebuilt in Polanka near Krosno the following year.





supported the January Uprising and financed help for the refugees. In 1865 he bought a large manor and the village of Chorkówka. There he established yet another oil refinery. Having gained one of the largest fortunes in Galicia, Łukasiewicz promoted the development of oil industry in the area of Dukla and Gorlice. He gave his name to several oil-mining enterprises in the area, including the oil wells of Ropianka, Wilsznia, Smereczne, Ropa and Wójtowa. He also became the benefactor of the region and founded a spa resort in Bóbrka, a chapel in Chorkówka and a large church in Zręcin. As one of the best-known businessmen of his times, he was elected to the Galician Sejm. In 1877 Łukasiewicz also organized the first Oil Industry Congress and founded the National Oil Society. Ignacy Łukasiewicz died January 7, 1882, of pneumonia. He was buried at the small cemetery of Zręcin, next to the Gothic Revival church he had financed.













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