

A Fateful Meeting Remembered

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Murray Johnstone and Nicholas Boutakoff are both remembered as giants of the Australian oil industry. It has been largely forgotten that these two men, so different physically and culturally, first met on the Learmonth airstrip at Exmouth Gulf in April 1954. What followed in the coming days would ultimately change the face of the Australian petroleum industry and bring great wealth to Australia.

Murray Howard Johnstone was a short man (about 1.4m), the result of a genetic disorder. Born in Toodyay, WA, in 1928, he was the only son of Elvira and Robert Johnstone, the headmaster of Toodyay Primary School. Murray went to school in Perth and graduated from UWA with 1st class honours in geology in 1946. He commenced working at the fledgling Bureau of Mineral Resources and was assigned in 1948 to the geological team mapping the Rough Range Anticline near Exmouth Gulf. Four years later, he was sent back there as a BMR observer, after West Australian Petroleum (WAPET) had discovered oil in Rough Range-1.



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Nicholas Boutakoff was over six feet tall, and carried himself with the pride of his ancestry. Born in Washington DC in November 1903, he was the son of aristocrat Captain Alexander Butakov, then the Russian Naval Attaché to the United States. His Godmother was Olga Constantinova, the Queen of Greece. His father was killed during the revolution in 1917 and Boutakoff completed his schooling in exile in France and graduated with a D.Sc from the University of Louvain in 1929. He spent about six years working on a geological map of Kivu (now Rwanda) in East Africa and 12 years working as a petroleum geologist in Trinidad, before joining the Victorian Geological Survey in 1948. One of his tasks was to provide some direction to the emerging oil exploration scene in Victoria, and he published a series of papers emphasizing the importance of geology-based exploration.

After the Rough Range oil discovery, the Victorian Minister for Mines sent Boutakoff to observe the WAPET drilling operations and determine what lessons there might be for oil exploration in Victoria. Boutakoff's report to the Minister is among his papers in the Victorian State Library, and includes the photos published

here. The lesson was simple, he said: WAPET was methodical in approach, informed about the geology and led by experienced oilmen: their success was the logical result. Victorian explorers would do well to follow that example.

But it was another lesson from that visit that would change history. Johnstone escorted him and others around the area, showing them the geology and explaining the regional structure (Image 1). They stood on top of the Cape Range anticline, a peninsula protruding 80km into the Indian Ocean, looking north towards Barrow Island (Image 3), which Murray explained was the surface expression of another major anticline. In his 1963 APEA paper, Boutakoff said that he saw instantly the possibility that similar structures, potentially containing oil and gas, extended beneath the ocean all the way to Timor: these structures would be marked by local ridges on the ocean floor and should be mappable with bathymetric data.

Back in Melbourne, he diligently contoured the bathymetric values on the Admiralty Chart North West Coast of Australia, and identified a series of mostly submerged ridges and troughs, trending NE/SW along the Australian continental shelf. The main ridge system could be traced from Cape Range to Barrow Island, thence to Rowley Shoals and Scott and Seringapatam reefs, and on to Ashmore Reef and Sahul Bank. The largest structure extended over 300km through Scott Reef. Boutakoff was certain that these structures, sitting between complexly folded Timor, where oil seeps were known, and the gently warped sediments onshore Australia, where oil was now proven, were ideally located to accumulate large petroleum deposits.

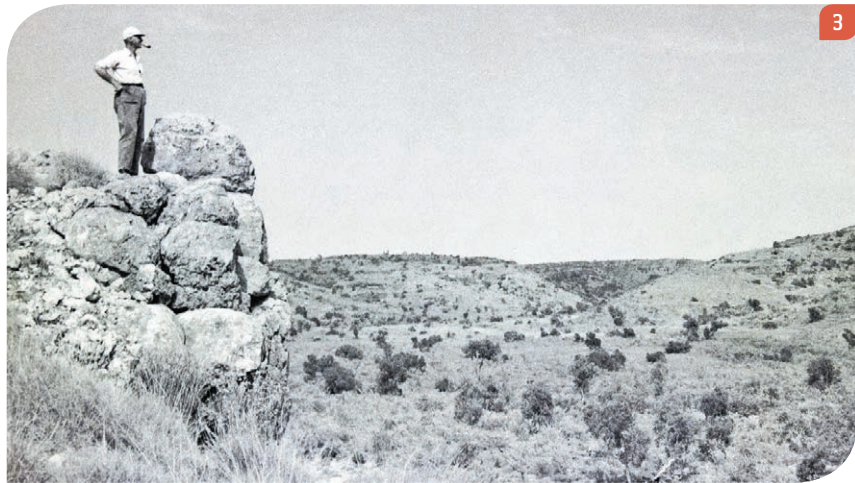
Resolving to gain a share of this oil province for himself, Boutakoff formed



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a company called Northern Holdings Pty Ltd in 1955 to acquire leases over these areas. His partners were Percival McKenzie (then Chairman of Woodside) and Thomas Ward, a successful New York oilman, whose task was to sell the project to Gulf Oil, as he had done with leases in Kuwait. The applications were lodged in May 1955 but in August the WA Secretary for Mines asked for clarification of the company structure and capital. They were unable to respond usefully because the structure was designed to hide Boutakoff's involvement (he was a public servant) and they had no capital (Gulf had declined), and the application was dropped.

That might have been the end of it, except that Boutakoff joined Woodside (Lakes Entrance) Oil Company as Chief Geologist in July 1962 and was directed to study possible areas for offshore exploration, including the Gulf of Carpentaria and North West Shelf. He told General Manager Rees Withers of his extensive private work on the North West Shelf and, to his mind, made a gentleman's agreement that Woodside would give him a major shareholding in exchange for his ideas and maps, provided Woodside was granted the lease and farmed-out to a major international company. Two months later, Woodside filed an application for a lease over vast offshore areas now known as the Northern Carnarvon



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and Browse basins, using Boutakoff's 1955 maps. The leases were granted in mid-1963 and the project was farmed-out to Shell and Burmah later that year.

Soon after their great success, Boutakoff and Woodside fell out over the bonus payment and Boutakoff resigned. Withers denied there had been any verbal agreement and the Woodside board argued that Boutakoff was simply an employee doing his job.

Boutakoff worked for Timor Oil for several years before retiring. Unfortunately, Woodside's gas discoveries in the early 1970s turned his share 'entitlement' into an obsession that made bitter his final years until his death in 1977.

Murray went onto become Chief Geologist at WAPET, now Chevron, and subsequently worked for Esso Australia and the WA Department of Mines. He was a jovial and gentle man, with a great and often bawdy sense of humour, and was a much-loved member of the petroleum exploration community. He died in 2010.

Their lives crossed only that once in 1954 but it was a fateful crossing that led to Woodside's leases on the North West Shelf and the wealth that brought to the company and our country. ▀

1. Cape Range 2. GREAT MINDS MEET: Murray Johnstone, a diminutive man at 1.4m, stands alongside the six-foot tall Nicholas Boutakoff under the wing of the MMA DC-3 on the Learmonth airstrip at Exmouth. 3. Rough Range looking north.