

20119-13.

Ottawa, Ontario,
February 15th, 1939.

Dear Sir:-

I wish to acknowledge receipt of your letter of February 11th, your file 3-5, and in which you refer to the present status of the petroleum and natural gas lease held by Hector Oils Limited.

This Company has, as you state, received most considerate treatment from the Department and I quite agree with the suggestion contained in the last paragraph of your letter, namely, that the Company be given thirty days from date of notification within which to pay at least half of the current rental and that the balance be paid within sixty days, failing which the Department will have no alternative but to cancel the leases. I know that we both agree that our regulations must be followed as closely as possible and that special favours cannot be granted any particular individual or organization.

Yours very truly,

J. C. Caldwell,
Chief, Reserves Division.

Colonel F.M. Steel,
Petroleum Engineer,
505 Public Building,
CALGARY, Alta.