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Mr. Keenleyside to the United States Charge d'Affaires

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, March 13, 1943.

Dear Mr. Clark,

With reference to your letter of February 17th, on the matter of a more strict delimitation of the districts in the Northwest Territories in which wildcatting rights might be reserved for nominees of the United States Government, I have now received a reply from the Department of Mines and Resources on the subject.

The two areas mentioned in your letter are contiguous, namely:

1. District of Mackenzie - An area contiguous to the Mackenzie River, approximately 75 miles each side thereof, and extending from Fort Providence on the south to the Arctic Ocean on the north. Within the delta of the Mackenzie River, the line of reference shall be the East Channel.
2. Yukon Territory - All that portion of the Yukon Territory lying north of the 66th parallel.

It is proposed to apply the same regulations in these two areas as were worked out for the three areas already reserved by Orders-in-Council P.C.1138 dated 12th February 1943, and P.C.4140 of May 18th, 1942, as a result of consultation between Mr. Sidney Paige, Consulting Geologist attached to the office of Colonel Wyman, and Dr. Camsell. These regulations were published in the Canada Gazette on February 20th, 1943, and provide:

First, (clause 1) that no one can prospect without first obtaining permission;

Second, (clause 14) that the Minister should have the right to refuse to issue a permit when, in his opinion it might retard the search for and the development of the oil resources or interfere with the production of petroleum for the use of His Majesty or of any country associated or allied with His Majesty in the conduct of the present war.

This should afford ample protection against nuisance staking and ensure that any exploratory and development work that may be carried on by bona fide companies other than those nominated by the United States Government will be made available for our war needs,

I trust that this arrangement will be satisfactory to all parties.

Yours sincerely

HUGH LL. KEENLEYSIDE

Assistant Under Secretary of State
for External Affairs.