

OFFICE OF THE
PETROLEUM ENGINEER

CANADA
DEPARTMENT
OF
MINES AND RESOURCES
INDIAN AFFAIRS BRANCH

PLEASE QUOTE
FILE 5.5

Your file 20119-13

503 Public Building
CALGARY, ALTA.

February 11th,
1 9 3 9.

FEB 14 1939

RECORDS

Dear Sir:

I beg to refer to my letter of the 15th of December last, with which I enclosed a letter from Hector Gils Limited asking for a further extension of time within which to pay the rentals which fell due on the 1st of July 1938 in respect of their petroleum and natural gas leases on the Stony Indian reserve, in which I suggested that the matter be held in abeyance until the 1st of February 1939.

Since that date I have been in touch with Mr. T. F. Hook who advises that he is endeavouring to interest people in the completion of Norcon No. 1 well and the further development of this acreage. It was pointed out to Mr. Hook that the Department has been most considerate to his company, both with regard to credits, extensions and the carrying out of the drilling requirements under our old and new regulations and, whilst I quite appreciated that they were making efforts to induce people to put up money for development, so far we have received no returns from this property either by payment of rental or through development for several years and that I did not feel justified in recommending, to the Department, that his company be permitted to remain in possession of petroleum and natural gas leases Nos. 3 and 9 unless some payment was made on account of rental.

It is now suggested that the company be given thirty (30) days within which to pay, say, 50% of the current rental amounting to \$2,842.00 and that the balance of \$1,421.00 be paid within sixty (60) days, failing which the leases be cancelled in the records of the Department and steps be taken to put a seizure on the well, equipment and buildings situated on the location with a view to the recovery of the rentals due since the 1st of July 1938.

Yours very truly,

F. M. Steel

F. M. Steel,
Petroleum engineer.

J. C. Caldwell, Esq.,
Chief, Reserves Division,
Indian Affairs Branch,
Department of Mines & Resources,
Ottawa, Ontario.

Indian Affairs. (RG 10, Volume 7653, File 20119-13 Pt.1)

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