

Copy for the information of Indian Affairs Branch, Ottawa.

CALGARY OFFICE

721 2nd Street West,
June 15, 1938.

Col. F. E. Steel,
Petroleum Engineer,
Dept. Indian Affairs,
503 Calgary Public Bldg.
Calgary, Alta.

Dear Sir:

We regret to inform you that previous contracts entered into to complete the Hector-Harvey No. 1 Well on the Stoney Indian Reserve have failed in their fulfillment and we find it necessary, in order to complete other negotiations, to have a further extension for the payment of lease rentals.

Financing has been a difficult problem for us. However, we now have several very encouraging prospects under way, but cannot expect them to culminate before the time our payments fall due. Then too, these parties are reluctant to enter into any arrangement until we have secured a reasonable extension, which, we gather, would need to be six months, or until January 1st, 1939.

For your information we will say that one prospect is with a very large concern who have stated they will put their engineers on the ground to check our geological surveys, and are, so far, very interested in what we have shown them. Their advent into the field would, no doubt, mean an intensive survey of the entire Reserve and general development, should it prove as we represent.

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