

HIGHWOOD-SARCEE OILS LIMITED

614-15 Lancaster Bldg.
Calgary, Alberta

October 23, 1941.

Copy for the information of Indian Affairs Branch, Ottawa

Col. F. M. Steel,
Petroleum Engineer,
Department of Mines and Resources,
503 Public Building,
Calgary, Alberta.

Dear Sir:-

Re: Our Leases Sarcee Reserve

In view of the approach of rental dates in connection with our leases on the Sarcee Indian Reserve we beg to report as follows:-

1. Since our last report was made by letter of the 2nd of November 1940, the well then stated to be in preparation known as Inland Sarcee Well No. 1 was spudded in December 9th, 1940. Drilling proceeded to a depth of 1,282 feet and ten inch casing was inserted to the bottom of the hole. Cable tools were used for this operation.
2. It is intended that a rotary drilling rig will be taken to the location and the work of drilling to completion undertaken. In the meantime plans are being developed for financing of the work by the sale of royalties. The set-up has been approved by the Securities Commission or the Board of Public Utility Commissioners as the case may be, in the Provinces of Alberta, Manitoba and Ontario and it is hoped that operations will soon again be underway.
3. The total expenditure to date on the drilling account of Inland Sarcee Well No. 1 is in the neighborhood of \$34,500.00.
4. A new contract has been signed under which Petroleum Corporation of Canada Limited has to spud in a well on projected Section 9 on the Reserve, being Section 9, Township 23, Range 4 West of the 5th, somewhat to the North of the Inland Sarcee Well No. 1 mentioned above. An application in this connection was lodged with the Department for permission to drill on Legal Subdivision 12 of Section 9.

It is anticipated that road making will be undertaken immediately and that according to the provisions of the agreement the new well will be spudded in by the 15th of November next. If oil is discovered in commercial quantity as a result of this operation the contract provides for further and extensive development of the whole area.

In view of the above we will be glad if the Department will consider that the rentals of 1940 to 1941 on our lease holdings on the Sarcee Reserve are satisfied, also that an extension of time be granted for the payment of rentals for 1941 to 1942 falling due on the first proximo.

Yours very truly,
HIGHWOOD-SARCEE OILS LIMITED

126 Per: "R. G. Straker" Managing Director.

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