

EXTRACTS FROM LETTER OF MR. JOHN WATT

Who was Retained by the Canadian Pacific Railway Company
during the Period the Company was Endeavoring to
Secure these Kootenay Petroleum Lands from
the Government of British Columbia

Victoria, B.C., April 20th, 1907

Captain C. J. Kelley:

"Dear Sir—In compliance with your request for a statement of my knowledge and observations in the East Kootenay Oil Lands:

"I went into East Kootenay by way of Belton, Montana. About eight or ten miles in a northwesterly direction takes you into Sage Creek Valley. At the east side of the valley the creek makes a short bend towards the foothills. At this point, in a bend of the creek, there are two separate springs, eight feet apart. The gas and oil are continually escaping through the water. Black shale crops up close to these springs and above the water. There, out of a fissure, the oil and gas are continually escaping. During low water, by making a small dam around one of these springs, a fine sample of oil can be obtained.

"Following the creek up for about three-fourths of a mile, it takes a sharp bend to the centre of the valley. At this point there is a gravel bank from which **oil is continually running from three different places**, within a distance of thirty yards. So far as we could discern there was no gas escaping. A person could get all the samples he wanted at this point during low water.

"About three-fourths of a mile west of the last-mentioned spring, and about one miles north of the first-mentioned spring, on this creek, there is another seepage, in black, mucky ground, **about twelve yards square, which is saturated with oil. We dug down over three feet, and found the ground mixed with paraffine wax.** Oil can be dipped up from here with a tin cup, but oil taken from here would not be a fair sample, owing to its having lain on the ground so long, and been exposed to the atmosphere. The smell from this spring can be detected a mile away when the wind is favorable.

"The oil from all these springs, when first coming to the surface is of the same quality, and with a paraffine base. It is clear, and without tar coloring whatsoever, and equal to water-white oil, which goes to prove that these springs all belong to one oil belt,