

## Drilling for oil off Nova Scotia

A \$200-million drilling program will soon open deep-water oil exploration off Nova Scotia along a stretch of the continental slope which is almost as large as the province, reports the *Canadian Press*.

The exploration will be conducted by Shell Explorer Limited of Houston in partnership with CDC Oil and Gas Limited and Norcen Energy Limited.

### First time

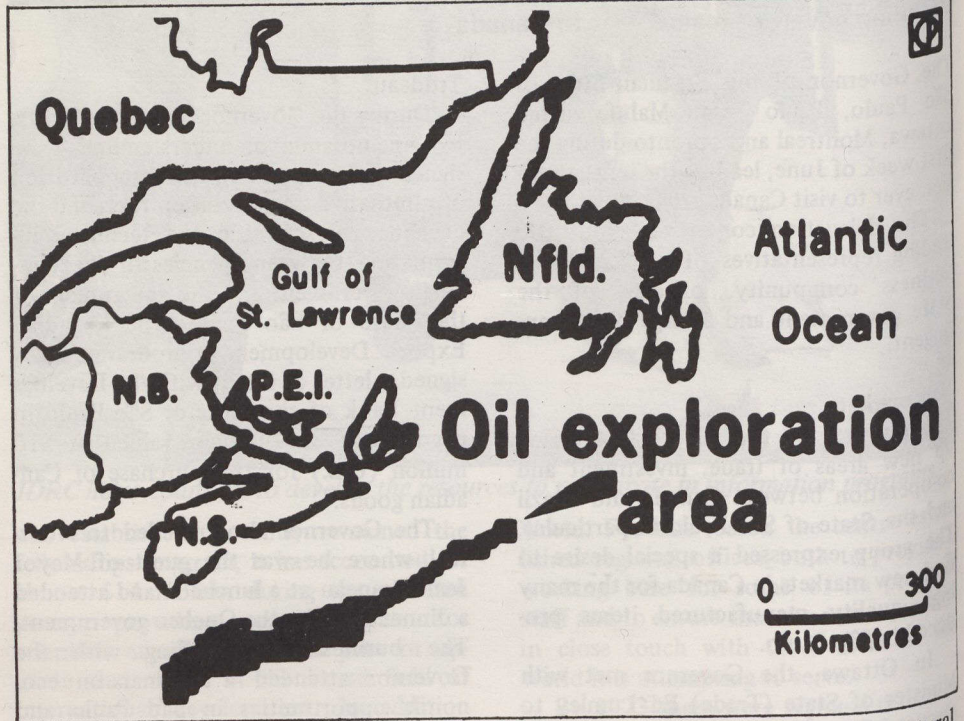
It will be the first time drilling has taken place in the deep water off Nova Scotia's continental slope. The continental slope is the slanting sea floor where the continental shelf gives way to the ocean deeps.

Depth of the water there ranges from roughly 700 metres to 2,500 metres and the holes will extend as far as about 3,500 metres below the ocean floor.

The leased area extends along a 720-kilometre front from below Nova Scotia's southern tip to above the northern tip of Cape Breton. It is only slightly narrower than the province's mainland.

The outer edge of the leased area approaches Canada's 200-mile management limit. It comes to within about 65 kilometres of Sable Island.

The companies are gambling on roughly a 100-to-1 chance that they will find commercial quantities of oil, said John O'Brien, vice-chairman and president of



CDC Oil and Gas.

But if there is one oil find, chances of there being others will be substantially better, added William L. Kaufmann, CDC Oil and Gas vice-president of exploration.

### Potential for more

"All that has been shown is that there is a basin out there and that it could show hydrocarbons," said Dr. Peter Kaye, Norcen's vice-president of explorations.

The search is for oil rather than natural gas, Kaye said. The technology for producing gas in water that deep is many years away. Once the seismic tests are evaluated a decision will be made — possibly this fall — on where and when the first hole will be drilled. Drilling is expected to start sometime next year.

If commercial quantities of oil are found, production probably would not begin before the mid-1990s, Kaye said.

## Real estate developers do business in United States

Canadian developers, often using United States partners, are making inroads in the real estate market in the United States.

In San Diego, Canadian developers have bought 16,000 acres that they plan to turn into communities of homes, shopping centres and office blocks.

### Largest purchase

In addition the U.S. subsidiary of Daon Development Corporation of Vancouver has just made the largest real estate purchase in California history, paying \$110 million for 3,773 acres for a planned community near San Diego. In contrast, the largest Vancouver-area development is about 400 acres.

Daon remains behind, however, the American arm of the now Vancouver-based Genstar Limited which is develop-

ing a 6,500-acre community. Nearby, it has three other projects of about 1,000 acres each.

Cadillac Fairview is developing 3,200 acres along with an additional 800 housing lots while Bramalea Limited, also from Toronto, is building office buildings. Trizec Corporation of Montreal is starting a downtown office-shopping project and First Canadian Development Corporation has an office park.

### Holdings increase

The realty investment shows no signs of subsiding. In 1973, seven of the largest Canadian developers had operations in the U.S. Today, there are more than 80, with 28 in Dallas alone.

That does not include individuals or institutional investors as well as Canadians operating through foreign tax havens. In

addition, there are a dozen syndicates in Vancouver alone that buy American property.

The value of Canadian holdings was worth \$1.5 billion in 1977. The Canadian Institute of Public Real Estate Companies now sets it at about \$6 billion. In California, Canadians used about \$100 million and bank loans to acquire up to \$1.5 billion in real estate, one California analyst estimates.

Cadillac Fairview is also co-sponsoring a \$1-billion project to turn a downtown Los Angeles slum into a development that includes the city's new museum of modern art. The architect is Arthur Erickson of Vancouver.

Bramalea Limited of Toronto has just announced a \$500-million project to build two 70-storey office buildings and a 600-room hotel on three blocks in downtown Dallas. It is the city's biggest development project.