

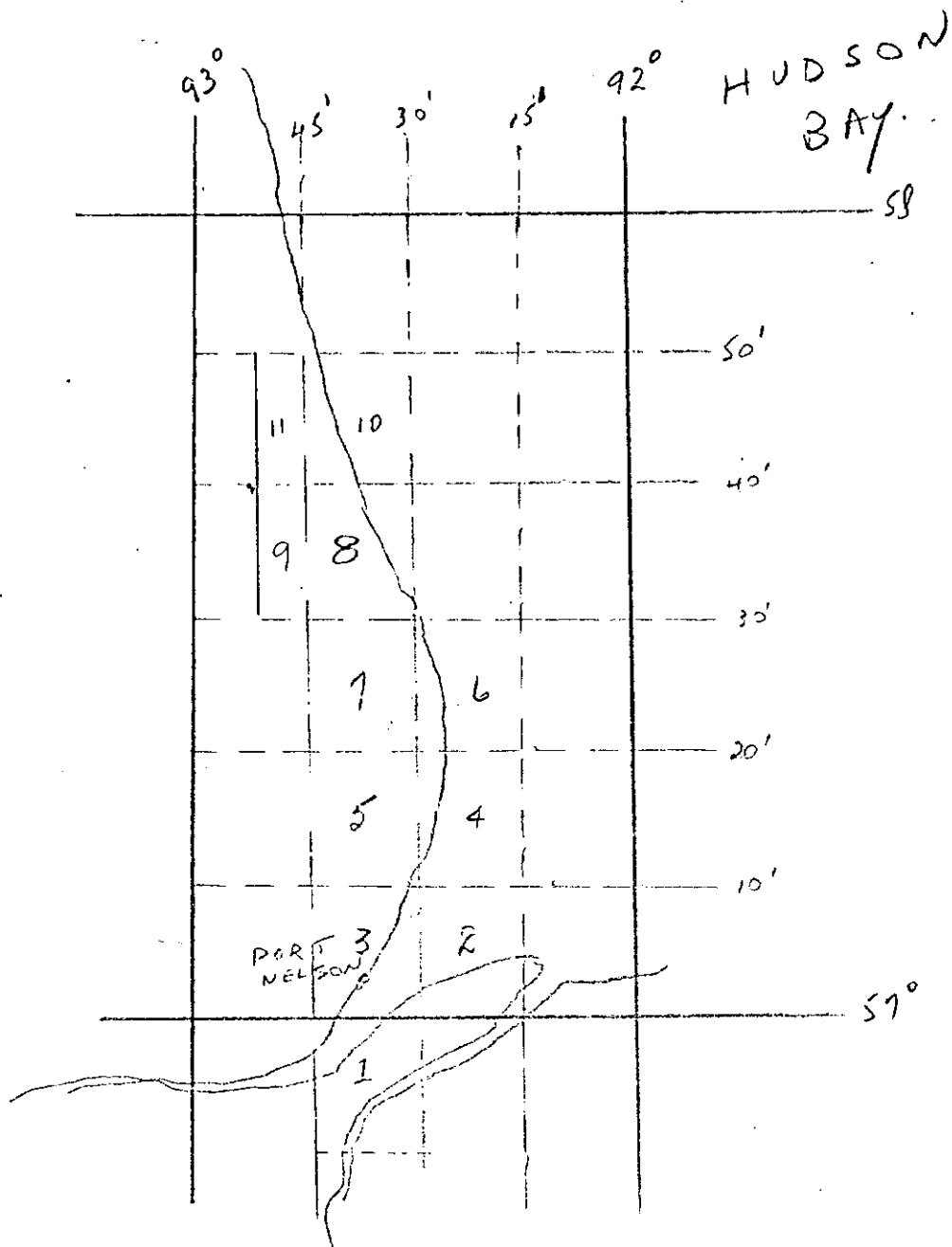


MICROFILMED

TO

HERE

June 1979.



transportation of trailers or semi-trailers for furtherance to destinations where damage to power unit requires this service.

R. A. Smith,
o/a Smitty The Mover,
Oak Lake, Manitoba.

Application for approval of the purchase of certain assets and the granting of the rights held under P.S.V. 2052 by George Baldock, Lena, Manitoba.

Anyone wishing to make a representation or oppose the granting of the above applications must file such notice in writing with the Secretary of the

Board before 5:00 P.M., Friday, September 8th, 1972. Notices received after this date, either by mail or personal filing, will not be accepted.

Subsequent to the above date, the Board will set the date the applications will be heard and notify the applicants and those opposing of the time and place of the hearing.

H. P. PENWARDEN,
Secretary.
The Highway Traffic and
Motor Transport Board.

—35

UNDER THE MINES ACT

DEPARTMENT OF MINES,
RESOURCES AND ENVIRONMENTAL
MANAGEMENT
CANCELLATION OF
EXPLORATORY PERMITS

In accordance with requirement of Section 273 of the Regulations under the Mines Act governing the disposal of Oil and Natural Gas Rights on Crown

Lands, I hereby advise that Exploratory Permit Nos. 5, 6, 8-16 inclusive, 20-26 inclusive, 28-47 inclusive, 49, 53, 60, 62, 64, 66, 68-79 inclusive have been cancelled.

August 22, 1972.

J. S. ROPER,
Director of Mines.

—35

PUBLIC NOTICES

UNDER THE MUNICIPAL ACT

THE R.M. OF HANOVER

Invites applications for the position of Secretary-Treasurer. Applicants should have experience in Municipal work and be enrolled in or have completed the Municipal Secretary-Treasurer's Course.

Starting salary range \$8,000 - \$10,000 per annum.

Supply full details of education, years of experience and references in letter of application.

Apply to:

R.M. of Hanover
Box 1720
Steinbach, Manitoba

Attn: Mrs. R. Braun, Acting Secretary-Treasurer.
5831-35

UNDER THE REAL PROPERTY ACT

Notice is hereby given that on or after the 25th day of September, 1972, I will, upon the registration of a dealing affecting the land hereinafter mentioned, dispense with the production of Certificate of Title No. B 96399 issued from the Land Titles Office, Winnipeg, in the name of Roy Leslie Butler, of the City of Winnipeg, in Manitoba, School Teacher, as Executor under the last will and codicil of Katherine Milne Campbell, late of the same place, deceased widow of Russell William Campbell, late of the same place, Barrister-at-Law, deceased, as registered owner of the following land, namely:

In the City of Winnipeg, in the Province of Manitoba, being in accordance with the Special Survey of said City, and being Lot Seven, in Block Seven, which lot is shewn on a plan of survey

of part of Lots Fifty-two and Fifty-three of the Parish of Saint Boniface, registered in the Winnipeg Land Titles Office as No. 1691, which certificate it is alleged has been lost or destroyed, or I will upon request issue a Provisional Certificate of Title subject to all subsisting registered charges, to replace said Certificate of Title.

Dated at the Land Titles Office at Winnipeg, this 17th day of August, 1972.

C. A. EVANS,
Deputy District Registrar.

5720-35

Notice is hereby given that on or after the 25th day of September, 1972, I will, upon the registration of a dealing affecting the land hereinafter mentioned, dispense with the production of Certificate of Title No. 907761 issued

NORTHWEST OILS LTD.

EXPENSE SUMMARY

Contractors Expense	\$59,690.12
Direct Project Expense	7,534.17
Air Travel - Equipment	10,454.80
Air Travel - Personnel	3,509.47
Survey Costs	1,695.00
Freight & Transportation	1,475.00
Consulting Fees	2,708.76
Direct Expense - P.M. Oley	4,960.00
	<hr/>
Total Accounted Expense	\$92,027.32
Previous Claim	
Sigfusson Transportation	14,000.00
	<hr/>
Total Expenditure	106,027.32
12.1/2% Overhead and Administration	13,253.42
	<hr/>
TOTAL CLAIM FOR CREDITS	<u><u>\$119,280.74</u></u>

J. A. Cameron
Vice-President &
Secretary

NORTHWEST OILS LTD.
360 Bay Street, Toronto 1, Ont.
Suite 500

Tel: 363 5815

DECLARATION OF EXPENDITURE

I, John A. Cameron, of the City of Toronto, in the Province
of Ontario, Vice-President and Secretary of Northwest Oils Ltd.,

MAKE OATH AND SAY:

That a total of \$106,027.32 was paid to contractors and
for direct project expense, air travel for equipment and
personnel, survey costs, freight and transportation, con-
sulting fees and direct expense for P. M. Oley, as detailed
in the Expense Summary submitted to the Department of
Mines and Natural Resources of the Government of Manitoba.

These costs were incurred in drilling the Whitebear Creek
Well during the summer of 1970.

Sworn before me at the City)
of Toronto, in the Province)
of Ontario, this 12th day of)
January, A.D. 1971.)

John A. Cameron

[Signature]

Notary Public for the
Province of Ontario

OIL AND GAS PERMITS

AQUITAINE	1-19, 21-27 ✓
HOUSTON OIL	36-46 CANCELLED
CITY SAVINGS & TRUST	47, 49 ✓
NORTHWEST OIL	20, 28-35, 59, 60, Part of 61, E/2 62, Part of 63, E/2 64, Part of 65 and 67 ✓
WESTERN LAND SERVICES	69-74, 76-78 CANCELLED
PIPAWA EXPLORATIONS LTD.	75, 79 CANCELLED



MANITOBA

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

MINES BRANCH

RECORDING DIVISION
904 NORQUAY BUILDING,
401 YORK AVENUE, WINNIPEG 1
R3C 0P8

May 9, 1972

Northwest Oils Ltd.
c/o Thaddeus I. Charne
8th Floor
167 Lombard
Winnipeg, Manitoba

Dear Sir:

Re: Exploratory Permits

Further to our letter of March 10/72 we enclose herewith the following Exploratory Permit renewals:-

<u>Permit No.</u>	<u>Area Retained</u>	<u>Acreage</u>
59 —	W W ₂ (PART)	34,764.5
61	W ₂ (PART)	17,600
63	W ₂ (PART)	31,365
65	W ₂ (PART)	31,862
67 —	W ₂ (PART)	9,798

Yours truly,

R.F. Nasstrom
R.F. Nasstrom
Chief Mining Recorder

125,389

/sw
c.c.: Petroleum Div.

NORTHWEST OIL
ARBITRATOR

125,389
309,343
434,732

Mu

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

CANCELLATION OF EXPLORATORY PERMITS

In accordance with requirement of Section 273 of the Regulations under the Mines Act governing the disposal of Oil and Natural Gas Rights on Crown Lands, I hereby advise that Exploratory Permits Nos. 59, 61, 63, 65, 67 have expired.

April 17, 1973



J.S. Roper,
Director of Mines.

Harley Robert Gallagher,
Poplar Point, Manitoba.

Application for approval to purchase certain assets and the granting of the rights held under P.S.V. 3339 by E. J. Larkin, Poplar Point, Manitoba. Krisden Limited, Dauphin, Manitoba.

Application for a Public Service Vehicle certificate to transport mobile homes from Dauphin to and from various points in Manitoba.

Anyone wishing to make representation or oppose the granting of the above applications must file such notice in writ-

ing with the Secretary of the Board before 5:00 P.M., May 11th, 1973. Notices received after this date, either by mail or personal filing, will not be accepted.

Subsequent to the above date, the Board will set the date of the applications to be heard and notify the applicant and those opposing of the time, place, and date of the hearing.

H. P. PENWARDEN,
Secretary,
The Highway Traffic and
Motor Transport Board.

-- --17

UNDER THE MINES ACT

DEPARTMENT OF MINES,
RESOURCES AND ENVIRONMENTAL
MANAGEMENT
CANCELLATION OF
EXPLORATORY PERMITS

In accordance with requirement of Section 273 of the Regulations under the

Mines Act governing the disposal of Oil and Natural Gas Rights on Crown Lands, I hereby advise that Exploratory Permits Nos. 59, 61, 63, 65, 67 have expired. April 17, 1973.

J. S. ROPER,
Director of Mines.

-- 17

PUBLIC NOTICES

UNDER THE MUNICIPAL ACT

NOTICE OF INTENTION TO CREATE LOCAL IMPROVEMENT DISTRICT

Public Notice is hereby given that The Rural Municipality of East St. Paul intends to form the following described area situated in the municipality into a local improvement district unless a majority of the owners of the land affected, representing at least one-half in value thereof, and whose names appear on the latest revised assessment roll of the municipality as such owners, or whose names have been added to the tax roll under section 758 of The Municipal Act, petition the council of the municipality against it within four weeks after the first publication of this notice. The area above mentioned is described as follows:

That portion of land in the Parish of St. Pauls being bounded on the West by the East limit of the Canadian Pacific Railway from the most Southerly limit of River Lot 100 North to the most Northerly limit of River Lot 94. On the North by the most Northerly limit of River Lot 94 from the East limit of the Canadian Pacific Railway East to a point 150 feet East of the most Easterly limit of Allison Street, thence South on a line drawn parallel to said limit to a point 150 feet North of the most Northerly limit of Burton Avenue, thence East on a line drawn parallel to the most Northerly limit of Burton Avenue to the most Easterly limit of Parcel 5 as shown on plans registered in the Winnipeg Land Titles Office as Plans Nos 9609 and

6403. On the East by the most Easterly limit of said Parcel No. 6 from a point 150 feet North of the most Northerly limit of Burton Avenue South to the most Southerly limit of Camsell Avenue. On the South by the most Southerly limit of Camsell Avenue from the most Easterly limit of Parcel 6 West to the most Easterly limit of the Two Mile Road (commonly known as Birds Hill Road), thence North along said limit to the most Southerly limit of River Lot 100, thence West along the most Southerly limit of River Lot 100 to the most Easterly limit of the Canadian Pacific Railway, save and except all that land contained in Plan No. 11277 and all that land contained in a plan on deposit with the Winnipeg Land Titles Office bearing No. 246/73 dated the 20th day of March, 1973 and sworn to on the 20th day of March, 1973, prepared by Richard Q. Bastin, M.L.S. (hereinafter referred to as L.I.D. 1A).

All that land contained in Plan No. 11277 and all that land contained in a plan on deposit with the Winnipeg Land Titles Office bearing No. 246/73 dated the 20th day of March, 1973, and sworn to on the 20th day of March, 1973, prepared by Richard Q. Bastin, M.L.S. (hereinafter referred to as L.I.D. 1B).

Dated this 9th day of April, 1973.

MELVIN EDWARD DIDYK,
Secretary-Treasurer of
The Rural Municipality of
East St. Paul.

2760-17

transportation of trailers or semi-trailers for furtherance to destinations where damage to power unit requires this service.

R. A. Smith,
o/a Smitty The Mover,
Oak Lake, Manitoba.

Application for approval of the purchase of certain assets and the granting of the rights held under P.S.V. 2052 by George Baldock, Lena, Manitoba.

Anyone wishing to make a representation or oppose the granting of the above applications must file such notice in writing with the Secretary of the

Board before 5:00 P.M., Friday, September 8th, 1972. Notices received after this date, either by mail or personal filing, will not be accepted.

Subsequent to the above date, the Board will set the date the applications will be heard and notify the applicants and those opposing of the time and place of the hearing.

H. P. PENWARDEN,
Secretary.
The Highway Traffic and
Motor Transport Board.

—35

UNDER THE MINES ACT

DEPARTMENT OF MINES,
RESOURCES AND ENVIRONMENTAL
MANAGEMENT
CANCELLATION OF
EXPLORATORY PERMITS

In accordance with requirement of Section 273 of the Regulations under the Mines Act governing the disposal of Oil and Natural Gas Rights on Crown

Lands, I hereby advise that Exploratory Permit Nos. 5, 6, 8-16 inclusive, 20-26 inclusive, 28-47 inclusive, 49, 58, 60, 62, 64, 66, 68-79 inclusive have been cancelled.

August 22, 1972.

J. S. ROPER,
Director of Mines.

—35

PUBLIC NOTICES

UNDER THE MUNICIPAL ACT

THE R.M. OF HANOVER

Invites applications for the position of Secretary-Treasurer. Applicants should have experience in Municipal work and be enrolled in or have completed the Municipal Secretary-Treasurer's Course.

Starting salary range \$8,000 - \$10,000 per annum.

Supply full details of education, years of experience and references in letter of application.

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R.M. of Hanover

Box 1720

Steinbach, Manitoba

Attn: Mrs. R. Braun, Acting Secretary-Treasurer.

5831—35

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In the City of Winnipeg, in the Province of Manitoba, being in accordance with the Special Survey of said City, and being Lot Seven, in Block Seven, which lot is shewn on a plan of survey

of part of Lots Fifty-two and Fifty-three of the Parish of Saint Boniface, registered in the Winnipeg Land Titles Office as No. 1691, which certificate it is alleged has been lost or destroyed, or I will upon request issue a Provisional Certificate of Title subject to all subsisting registered charges, to replace said Certificate of Title.

Dated at the Land Titles Office at Winnipeg, this 17th day of August, 1972.

C. A. EVANS,
Deputy District Registrar.

5720—35

Notice is hereby given that on or after the 25th day of September, 1972, I will, upon the registration of a dealing affecting the land hereinafter mentioned, dispense with the production of Certificate of Title No. 907761 issued



MANITOBA

DEPARTMENT OF MINES, RESOURCES AND ENVIRONMENTAL MANAGEMENT

MINES BRANCH

RECORDING DIVISION
904 NORQUAY BUILDING,
401 YORK AVENUE, WINNIPEG 1

R3C OP8

March 10, 1972

Merland Exploration Limited
1730 Elveden House
Calgary, Alberta

ATTENTION: Mr. P. M. Oley, Manager

Dear Mr. Oley:

Re: Exploratory Permits 59-65 and 67.
Your letter dated February 8, 1972.

Renewal Permits for a period of one year, by application of credits on hand and on the area requested by you, are being prepared based on the following data:

<u>Permit No.</u>	<u>Area retained</u>	<u>Acreage</u>	<u>Renewal fee @ 30 ¢ per acre</u>
59	E $\frac{1}{2}$	34,764.5	10,429.35
61	E $\frac{1}{2}$	17,600	5,280.00
63	No change	31,365	9,409.50
65	E $\frac{1}{2}$	31,862	9,558.60
67	E $\frac{1}{2}$	9,798	2,939.40
		<u>125,389.5</u>	<u>37,616.85</u>

Our records show a balance of \$42,139.23 in credits. After application of credits required for renewals requested, the balance for use at a later date, will be \$4,522.38.

Yours truly,

R. F. Nasstrom
Chief Mining Recorder

RFN/s.

c.c: Mr. J. S. Roper
Director of Mines

INTER-DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE March 3, 1972.

FROM Mr. L. S. Brooks,
Office Engineer.

TO Mr. R. F. Nasstrom,
Chief Mining Recorder.

SUBJECT Re: Oil Exploration Permits - Hudson's Bay

Areas requested for grids bordering on Hudson's Bay, consisting of land in the name of Manitoba are as follows:

Permit No.	Latitude	Longitude	Area
59	57° 10'	92° 15'	Part $E\frac{1}{2}$ 34,764.5 Acres
61	57° 20'	92° 15'	Part $E\frac{1}{2}$ 17,600 Acres
63	57° 30'	92° 15'	Part 33,555 Acres
65	57° 40'	92° 30'	Part $E\frac{1}{2}$ 31,862 Acres
67	57° 50'	92° 30'	Part $E\frac{1}{2}$ 9,798 Acres

Enclosed photostatic copy defines the areas (bordered red) included in the acreages shown above.

L. S. Brooks

L. S. Brooks,
Office Engineer.

LSB/B
Att.

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

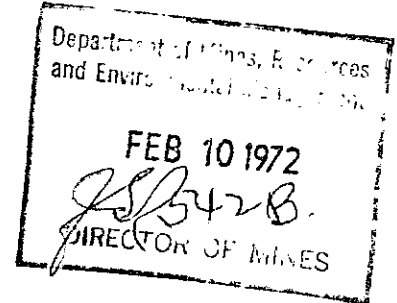
TEL. 363-9517

1730 Elveden House

~~XXXXXXXXXXXX~~
CALGARY, ALBERTA

TEL 269-6852

February 8, 1972.



Mr. J. S. Roper
Director of Mines
Department of Mines & Natural Resources
Mines Branch
Director's Office
901 Norquay Building
401 York Avenue
WINNIPEG 1, Manitoba

B.F. Mar 10/72
sk Scott

B.F. 20 MAR/72
sk Scott

Dear Sir:

Re: Manitoba Permits 59-65 and 67

During the last year we have been unable to carry out any further work on the subject permits and wish to retain only as much acreage as the excess credits from drilling the Whitebear Creek well will allow. At present the balance shown in our records is \$42,139.23.

Also, because of the problems with Polar Bears inland from the shoreline, the acreage we are requesting for retention is as close to the shoreline as possible. The acreage which we are requesting for renewal for one year by the application of credits is as follows:

<u>Permit No.</u>	<u>Approx. Acreage</u>		<u>Renewal fee</u> <u>@ 30¢/acre</u>
E $\frac{1}{2}$ -59	34,764	34,764 ✓	\$10,429.20
E $\frac{1}{2}$ -61	17,600	17,445	5,233.50
63	33,555	31,365 ✓	9,409.50
E $\frac{1}{2}$ -65	31,862	31,396	9,418.80
E $\frac{1}{2}$ -67	9,798	<u>9,106</u>	<u>2,731.80</u>
	127,579	124,076	\$37,222.80

Application of the above credits will leave a balance of \$4,916.43 to be applied at a later date.

F.S.G. - for info J.S.R.
R.N. -
Please pass this + draft
a reply. I will help with you
as ready to discuss

Mr. J. S. Roper

Page 2

Please let me know if this is satisfactory with
the department.

Yours very truly,

MERLAND EXPLORATIONS LIMITED



P. M. Oley,
Manager - Calgary Office

PMO/bn

c.c. - Mr. J. Cameron
Pipawa Explorations Limited
Adera Mining Ltd.
Oro Mines Ltd.
Pathfinder Resources Ltd.

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1730 Elveden House

~~XXXXXXXXXXXX~~

CALGARY, ALBERTA

TEL 269-6852

January 21, 1972.

*R.N.
for information
E.L. Jan 24/72.*

Mr. J. S. Roper
Director of Mines
Department of Mines & Natural Resources
Mines Branch
Director's Office
901 Norquay Building
401 York Avenue
WINNIPEG 1, Manitoba.

jsl 24:372
382 B. ✓

*B.F. Feb 29/72
ok JHA*

Dear Sir:

Re: Manitoba Permits

This is to advise that Northwest Oils does not intend to renew the following permits which are dated January 26, 1967. The permit numbers are 28 to 35 inclusive.

Yours very truly,

MERLAND EXPLORATIONS LIMITED

P. M. Oley

P. M. Oley,
Manager - Calgary Branch

PMO/bn

c.c. - Mr. J. Cameron
Mr. J. Mayerchak
Oro Mines Ltd.
Pathfinder Resources Ltd.
Adera Mining Ltd.

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1730 Elveden House

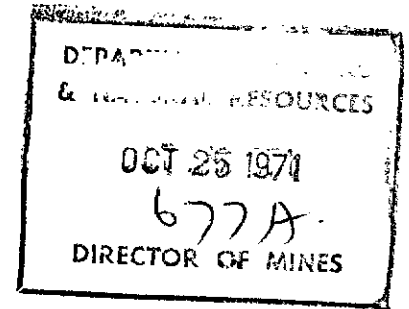
~~1730 GUNNESS HOUSE~~

CALGARY, ALBERTA

TEL 269-6852

October 22, 1971

Mr. J. S. Roper
Director of Mines
Department of Mines & Natural Resources
Mines Branch
Director's Office
901 Norquay Building
401 York Avenue
WINNIPEG 1, Manitoba



Re: Manitoba Permit #20

Dear Sir:

This is to advise you that Northwest Oils does not intend to renew Permit #20, on its due date of November 23, 1971.

Yours very truly,

MERLAND EXPLORATIONS LIMITED

P. M. Oley
Manager - Calgary Branch

PMO:cmm

cc J. Mayerchak
J. Cameron

Extract from MERLAND EXPLORATIONS LIMITED * ANNUAL REPORT

HUDSON BAY

Through its wholly-owned subsidiary, Northwest Oils Ltd., Merland owns interests in approximately 862,000 gross acres or the equivalent of 524,000 net acres of Petroleum and Natural Gas Permits, located largely onshore on the western perimeter of Hudson Bay in the York Factory area. In partnership with several other companies, Merland drilled an onshore stratigraphic test in the summer of 1970. The well was abandoned after failing to find any hydrocarbons. Work credits are sufficient to maintain parts of this acreage until 1976.

* Annual Report - December 31, 1970.



PROVINCE OF MANITOBA
DEPARTMENT OF
PROVINCIAL TREASURER
WINNIPEG

Schumann 4 1971

*Mr. J. A. Cameron
Holtland Oil Co. Ltd.
360 Bay Street,
Toronto 1, Ontario.*

Dear Sir:

Re: Merloni bills

Re: *4 cheque of bonds
Out of Merloni National Resources*

We are enclosing herewith the following Debentures and/or coupons:

Description	Due Date	Series and Number	Amount	Remarks
<i>Man. Telephone Dept</i>	<i>Sept 15/74</i>	<i>1K 57-9-13-14</i>	<i>(2 x 25,000.00)</i>	
		<i>1K 4015-16, 7019-21</i>	<i>(5 x 5,000.00)</i>	
		<i>1K 0597-99</i>	<i>(3 x 1,000.00)</i>	<i>Mar 15/71 250.00</i>

Please receipt on the enclosed copy of this letter and return promptly to the Deputy Provincial Treasurer, Legislative Buildings, Winnipeg.

Yours very truly,

J. Appleby
DEPUTY PROVINCIAL TREASURER,

Encs.

INTER-DEPARTMENTAL MEMORANDUM

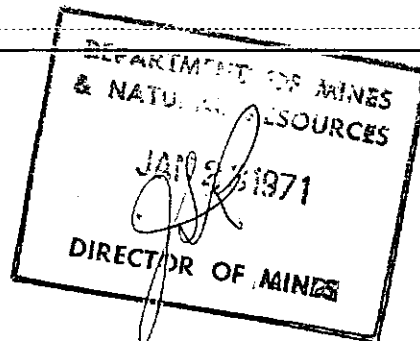
FROM: T. Morgan
 Chief Mining Recorder



PROVINCE
 OF
 MANITOBA

DATE: January 28, 1971
 TO: Chief of Financial Services
 Attention: W. G. Head

SUBJECT: Manitoba Telephone System Bonds



By my memo of Sept. 17th 1969 I forwarded The Manitoba Telephone System Bonds 8% (Series K) in the amount of \$78,000.00, submitted by Merland Oil Company to cover the required deposits on Exploratory Permits Nos. 59 to 65 and 67 in the name of Northwest Oils Limited.

By memo dated Jan. 25th 1971 from J. S. Roper, Director of Mines, has approved the statement of expenditures in the amount of \$228,154.84. The amount of \$77,899.29 of this approved expenditure has been credited to the above mentioned reservations.

It is therefore requested that The Manitoba Telephone Systems Bonds in the amount of \$78,000.00 be returned to Mr. John A. Cameron, Vice-President and Secretary, Northwest Oils Ltd., 360 Bay Street, Toronto 1, Ontario. Please advise this office when Bonds have been returned.

T. Morgan
 T. Morgan

TM/sw

c.c./Mr. J. S. Roper
 ✓ Director of Mines

January 27, 1971.

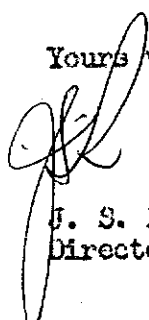
Mr. John A. Cameron,
Vice-President & Secretary,
Northwest Oils Ltd.,
360 Bay Street,
Toronto 1, Ontario.

Dear Mr. Cameron:

Re: Geophysical Survey Report
Northwest Oils Ltd.

The geophysical survey report, received 25 January, 1971, and entitled "Aeromagnetic Interpretation, Rupert Creek Area, Hudson Bay, Manitoba" is accepted as a work credit for Northwest Oils Ltd. Far North Exploratory Permits. The credit allowed for this report will be \$1695.00, as established in your Statutory Declaration dated January 12. As noted in our letter of January 25, this amount of credit will be formally allocated when we are in receipt of the final submission of expenses related to drilling of the Whitebear Creek Prov. STH #1.

Yours very truly,



J. S. Roper,
Director of Mines.

JSR/hf

c.c. to: Mr. P. M. Oley,
Merland Explorations Limited,
1380 Guinness House,
Calgary, Alberta.

MERLAND

INTER-DEPARTMENTAL MEMORANDUM

DATE 20 Jan/71

FROM [REDACTED]



TO File

PROVINCE
OF
MANITOBA

SUBJECT Policy on overhead and double credit allowance

- Discussion w/ J. S. Roper re Merland submission for double credits.
- Despite previous "policy statement" (attached letter July 18/69) to the effect that no overhead is allowed on work done under contract (since this would already include overhead costs) - Roper indicated that this was not enforceable, since it would be virtually impossible to tell if overhead had or had not been included. Eg. if Merland had listed costs of Midwest re drilling rather than showing lump contract cost we would have had to allow for overhead, the same as was done when Aquitaine listed Bessiff's drilling costs & were allowed overhead (they indicated that an actual overhead cost had been charged to them by Bessiff but they had dropped this from their listed expenses and applied the 12 1/2% to overhead instead).
- It appears that overhead will have to be allowed on all drilling costs, contract or not unless some definite criteria or policy change is effected.
- In previous discussion with Mr. P. Oley, 20 Jan/71 we indicated the overhead was allowed in this case had we not been assured a precedent and overhead not necessarily allowed on contract work.
- Oley promised to send geophysical report to complete assessment submission.
- JSR requested I have expenses completely checked & calculated - (by John Beattie & Emma) & draft reply for his signature confirming credit.

INTER-DEPARTMENTAL MEMORANDUM



DATE.....

FROM: *MLR*

TO: *JSR / fib*

PROVINCE OF MANITOBA

SUBJECT: *Overhead allowance on Far North Explorer Expend*

Memo to file for JSA re discussion w/ P. G. (on 1/21/74) re allow. policy.

As per discussion w/ Pete Oleg, we have agreed to allow all costs submitted re drilling for overhead allowance and double credit including double credit on the overhead. We noted however that previous policy as stated was that no overhead was allowed for contract work - but it was difficult to clarify ~~the nature & scope~~ of what constitutes "contract work" (this is to avoid application of 2 overhead charges for same job). In view of this uncertainty & because of previous allowance to ^{of 12/74} Agoutai for Barry's drilling costs, it was decided that "in this particular case" overhead would be allowed on contract costs for transportation & drilling ~~work~~ ^{work} for overhead - but this was not to be construed as setting a precedent for future allowance of overhead - Future submissions will be considered separately.

The credit for GAD-GMX survey is being held up pending submission of report. ^{when accepted} This will be eligible only for single credit & no overhead. It is not on the ground work & is also definitely contract work hence not allowable for overhead. - Not related to drilling hence no double credit.

This info. was included in letter to NW - copied for JSA - not meant for their

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1380 GUINNESS HOUSE

CALGARY, ALBERTA

TEL. 269-6852

H.M.C.

NR
[Signature]

January 20, 1971.

Mr. J. S. Roper,
Director of Mines,
Department of Mines & Natural Resources,
Mines Branch, Director's Office,
904 Norquay Building,
401 York Avenue,
Winnipeg 1, Manitoba.

DEPARTMENT OF MINES
& NATURAL RESOURCES

JAN 26 1971

DIRECT

Dear Mr. Roper:

Enclosed for your information is a copy of the original GAI-GMX Aeromagnetic interpretation in the area of the Whitebear Creek well, and also a copy of the reinterpretation of the area after the well was drilled.

DEPARTMENT OF MINES
& NATURAL RESOURCES

JAN 27 1971

DIRECTOR OF MINES

If you require any additional information, please let me know.

Yours truly,
MERLAND EXPLORATIONS LIMITED

Peter
P. M. Oley,

Rec'd. report 71 km. to be examined & placed in geol. files. Draft reply to be prepared.

what files? where?

PMO/dk
Encl.

Confidential "Conservation" file for all oil and gas geological and geophysical reports. Confidential and files are in Peter's office - will some copies be in Peter's office (by Aquitain).

DEPARTMENT OF MINES
& NATURAL RESOURCES

JAN 27 1971

DIRECTOR OF MINES

January 6, 1971.

Messrs. Peat, Marwick, Mitchell & Company,
Chartered Accountants,
4 King Street West,
Toronto 105, Ontario.

Dear Sirs:

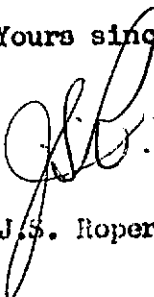
As requested by Merland Oil Company of Canada Limited,
this will confirm that Merland have deposited, with our Department,
the following Bonds: -

The Manitoba Telephone System, 8% Bonds, (Series 1K) due
September 15, 1974.

1K 9013-14	2 x \$25,000	\$50,000
1K 7015-16-19-20-21	5 x \$ 5,000	25,000
1K 0597-98-99	3 x \$ 1,000	<u>3,000</u>
		<u>\$78,000</u>

These Bonds cover the deposits required covering work
commitments on Exploratory Permits Nos. 59 to 65, inclusive, and No. 67.

Yours sincerely,



J.S. Roper

JSR/gh

cc: T. Morgan,
Chief Mining Recorder

December 3, 1970

Mr. P. H. Gicy
Merland Oil Company of Canada Limited
1330 Guinness House
Calgary, Alberta

Dear Sir:

Re: Assignment-Exploratory Permit Nos. 20, 23 to 35

Attached herewith, Assignment in duplicate of Exploratory Permit Nos. 20, 23 to 35 inclusive from Aquitaine Company of Canada Limited to Northwest Oils Ltd. duly endorsed as to registration in this office. The Assignment was registered on November 13, 1970 under Document No. 621-0.

Also enclosed Receipt L 92050 in the amount of \$90.00, covering the registration fee.

Yours truly,

T. Morgan
Chief Mining Recorder

TM/eb
Enc.

cc: T. L. Charne, Q.C.
Barrister & Solicitor
460 Main Street
Winnipeg, Manitoba

cc: Petroleum Division

November 25, 1970

Mr. J.A. Cameron
Merland Explorations Limited
360 Bay Street
Toronto, Ont.

Re: Exploratory Permits

Dear Sir:

Enclosed find copy of grouping of Exploratory Permits duly approved by Mr. J.S. Roper, Director of Mines.

I would advise you that the Director has approved the expenditure of \$14,000.00 and that the sum of \$5,488.80 of the expenditure has been used to renew Exploratory Permit No. 20 for the year ending 23 Nov., 1971, and leaving a credit of \$8,511.20.

Yours truly

T. Morgan
Chief Mining Recorder

TM/mc
Encl.

INTER-DEPARTMENTAL MEMORANDUM

FROM J.S. Roper,

Director of Mines.

SUBJECT



PROVINCE
OF
MANITOBA

DATE November 23, 1970.

TO T. Morgan,

Chief Mining Recorder.

Re: Grouping of Exploratory Permits ~ Northwest Oils Ltd.

Attached is original and one copy of Grouping notice for Permits 20, 28 to 35 inclusive, 59-65 incl., and 67 signed by Mr. John A. Cameron and approved by myself.

Attached, also is the original statutory declaration for \$14,000 which is a partial declaration of costs incurred in the drilling of Merland et al Whitebear Creek S T H #1.

Also attached is copy of Mr. Cameron's letter dated November 13th requesting allocation of part of the \$14,000 to Permit No. 20. This memo is your authority to allocate the required amount to Permit No. 20 and hold the remainder as credit to other permits in the group at a later date.

Allocation of credits earned will be made as required and when final statutory declarations are received and approved.

JSR/gh

A large, stylized handwritten signature of J.S. Roper, consisting of a large loop at the top and a long vertical stroke extending downwards.

J.S. Roper,
Director of Mines.

DEPARTMENT OF MINES AND NATURAL RESOURCES

DEPARTMENT OF MINES AND NATURAL RESOURCES
 1970
 OF A

GROUPING NOTICE

To be submitted in triplicate to the Director of Mines

T.M.

~~XXX~~ . . NORTHWEST OILS LTD. being the holders of the permits/leases listed below, hereby apply for the formation of a group for the purpose of applying approved expenditure.

Permit/Lease Numbers	Operator	Date of Issue	Gross Acres
20	Northwest Oils Ltd.	23 Nov. 1966	18,296
28	"	26 Jan. 1967	39,860
29	"	"	28,400
30	"	"	69,529
31	"	"	69,529
32	"	"	68,234
33	"	"	43,346
34	"	"	45,040
35	"	"	5,780
59	"	20 Feb. 1968	69,529
60	"	"	57,300
61	"	"	52,209
62	"	"	34,609.5
63	"	"	31,365
64	"	"	34,454
65	"	"	66,160
67	"	"	43,870

Grouping Approved [Signature]
 Director of Mines

Effective Date 23 NOV 1970

Grouping Cancelled _____

Noted by _____

Vice-President & Secretary

[Signature]
 Permittee/Lessee

JOHN A. CAMERON
 NORTHWEST OILS LTD.

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

January 4th, 1971.

Mr. J. S. Roper,
Director of Mines,
Department of Mines & Natural Resources,
Mines Branch, Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

Dear Mr. Roper,

Our auditors, Messrs. Peat, Marwick, Mitchell & Co., 4 King Street West, Toronto 1, Ontario, are conducting their usual examination of our accounts.

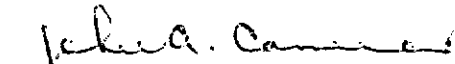
Would you be kind enough to confirm to them the fact that at December 31st, 1970 you were holding on our behalf:-

\$78,000 Manitoba Telephone System bonds at
8% due September 15th, 1974.

Would you also outline, precisely, the conditions under which the deposit, represented by this bond, may be returned to us.

Thank you for your co-operation and please forward your reply directly to our auditors in the envelope enclosed for your convenience.

Yours truly,


JOHN A. CAMERON
Executive Vice-President,
and Secretary

INTER-DEPARTMENTAL MEMORANDUM

FROM J.S. Roper,
Director of Mines.

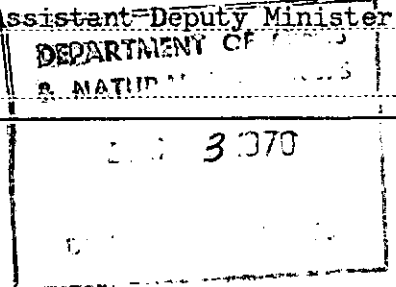


PROVINCE OF MANITOBA

DATE November 30, 1970.

TO M.J. Gobert,
Senior Assistant Deputy Minister.

SUBJECT Re Permit 20, and 28 to 35 inclusive.



Re your route slip November 27th:

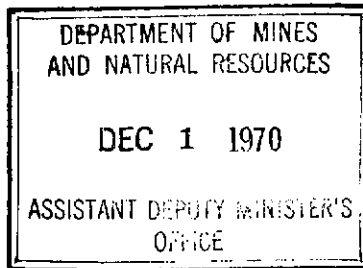
From discussions with Mr. Oley recently they are awaiting final billings from Mid-west Drilling to finalize their Statutory Declaration for the cost of drilling Merland et al Whitebear Creek S T H #1.

Mr. Oley estimated the costs to be in the \$100,000 range and if they establish this amount to our satisfaction and if we grant them double credit, they will have a \$200,000 (+ or -) credit which may be utilized for rentals on any or all permits in their grouping (Permit 20, 28 to 35 incl., 59 to 65 incl., and 67).

To answer your question: In view of the above I do not anticipate the Company will have to deposit additional monies to cover the January 26, 1971 rentals. I anticipate the statutory declaration will cover the rentals required on these permits and the other permits in the group. Until we receive the Statutory Declaration and until we learn how they want the credits distributed we cannot give you the dates by which the credits will be used.

Previous practice (Aquitaine) has permitted companies to establish credits for work performed in the form of a bank account from which permit rentals are deducted as required.

JSR/gh



INTER-DEPARTMENTAL MEMORANDUM

FROM.....

SUBJECT.....



PROVINCE
OF
MANITOBA

DATE.....

TO.....

Permit No. 20 and 28 to 35 inclusive...../2

- (a) When we received Mr. Oley's letter of March 23rd (copy attached)
- (b) When we received copy of Merland Oil Company news bulletin dated April 15, 1970.
- (c) When we met with Messrs Oley and Charne on April 30th to discuss drilling of "slim test hole"
- (d) When I checked the "credit transfer" matter with Mr. W.D. Clark at time of Mines Ministers' Conference, - see W.D. Clark's letter of September 18, 1970.

While I think I appreciate your objective of returning these areas to the Crown as early as possible I believe that in this case we are morally obligated to recommend approval of assignment.

As far as I can see the Company has complied with regulations. They have provided us with data not previously known, discussed and performed work after informing us of acquisition of the Aquitaine permits. We did not object, and there is no time limit on submission of assignments. (see May 20th, 1970 to November 13, 1970).

J.S. Roper

JSR/gh

INTER-DEPARTMENTAL MEMORANDUM

FROM J.S. Roper,
Director of Mines.

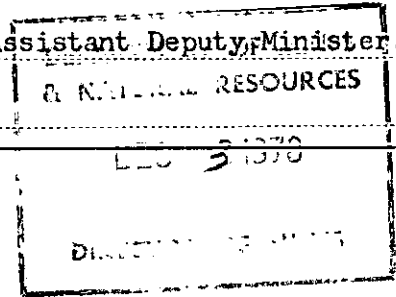


PROVINCE OF MANITOBA

DATE November 26, 1970.

TO M.J. Gobert,
Senior Assistant Deputy Minister.

SUBJECT Permit No. 20 and 28 to 35 inclusive



Re your route slip November 25, 1970.

(1) Who are the principals in Northwest Oils Limited?
See attached photostat.

(2) What is present status of permits?

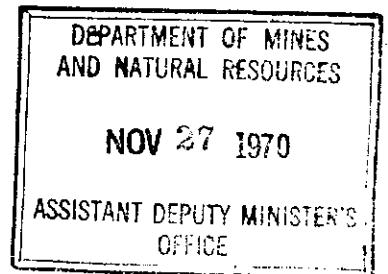
	First 4 year period Extended to -
(1) Permit 20 issued 23 Nov 1966	23 Nov 1970
(2) Permit 28 issued 26 Jan 1967	26 Jan 1971
(3) Permit 29 " " " "	" " "
(4) Permit 30 " " " "	" " "
(5) Permit 31 " " " "	" " "
(6) Permit 32 " " " "	" " "
(7) Permit 33 " " " "	" " "
(8) Permit 34 " " " "	" " "
(9) Permit 35 " " " "	" " "

First 4 year period extended as the result of use of work performed by Aquitaine Company of Canada Limited.

(Permit No. 20, (1) above)). Granted 1st Renewal to 23 November, 1971, as the result of use of credit of work performed by Merland Exploration Limited, (subsidiary of Northwest Oils Ltd.) with the drilling of well, Merland et al Whitebear Creek Prov., S T H #1.

(3) Why should we approve transfer?

We did not object or give reason for refusal of transfer;



November 23, 1970.

J.S. Roper,
Director of Mines.

T. Morgan,
Chief Mining Recorder.

Re: Grouping of Exploratory Permits - Northwest Oils Ltd.

Attached is original and one copy of Grouping notice for Permits 20, 28 to 35 inclusive, 59-65 incl., and 67 signed by Mr. John A. Cameron and approved by myself.

Attached, also is the original statutory declaration for \$14,000 which is a partial declaration of costs incurred in the drilling of Merland et al Whitebear Creek S T H #1.

Also attached is copy of Mr. Cameron's letter dated November 13th requesting allocation of part of the \$14,000 to Permit No. 20. This memo is your authority to allocate the required amount to Permit No. 20 and hold the remainder as credit to other permits in the group at a later date.

Allocation of credits earned will be made as required and when final statutory declarations are received and approved.



J.S. Roper,
Director of Mines.

JSR/gh

DEPARTMENT OF MINES AND NATURAL RESOURCES

DEPARTMENT OF MINES AND NATURAL RESOURCES
70
MINES

GROUPING NOTICE

To be submitted in triplicate to the Director of Mines

I/we ^{XXX} ~~XXX~~ NORTHWEST OILS LTD. being the holders of the permits/leases listed below, hereby apply for the formation of a group for the purpose of applying approved expenditure.

see file

Permit/Lease Numbers	Operator	Date of Issue	Gross Acres
20	Northwest Oils Ltd.	23 Nov. 1966	18,296
28	"	26 Jan. 1967	20,860
29	"	"	28,400
30	"	"	69,529
31	"	"	69,529
32	"	"	68,234
33	"	"	13,316
34	"	"	15,040
35	"	"	5,700
59	"	20 Feb. 1968	69,529
60	"	"	57,300
61	"	"	52,209
62	"	"	34,609.5
63	"	"	31,365
64	"	"	34,454
65	"	"	66,160
67	"	"	13,870

Grouping Approved *J.P. Hayes*
Director of Mines

Effective Date _____

Grouping Cancelled _____

Noted by _____

Vice-President & Secretary

John A. Cameron
Permittee/Lessee

JOHN A. CAMERON
NORTHWEST OILS LTD.

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

*orig to T.M.
copy for our file.*

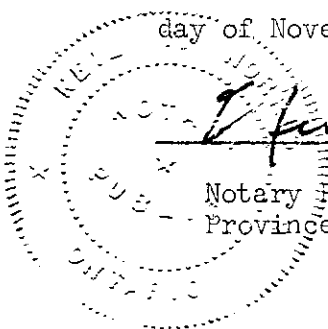
DECLARATION OF EXPENDITURE

I, John A. Cameron, of the City of Toronto, in the Province of Ontario, Executive Vice-President and Secretary of Merland Explorations Limited, MAKE OATH AND SAY:

1. That Fourteen Thousand Dollars (\$14,000) was paid on September 14th, 1970 to Sigfusson Transportation Company Limited, of Winnipeg, Manitoba, by Merland Explorations Limited.
2. That these funds were paid for the transport of drilling equipment and fuel from Lawledge to Whitebear Creek, Manitoba, and for no other unlawful purpose.
3. On behalf of Northwest Oils Limited.

Sworn before me at the City)
of Toronto, In the Province)
of Ontario, this 16th)
day of November, A.D. 1970)

John A. Cameron



John A. Cameron
Notary Public for the
Province of Ontario.

INTER - DEPARTMENTAL MEMORANDUM

FROM Mr. T. Morgan

Chief Mining Recorder

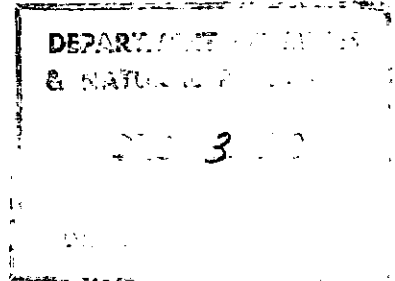
SUBJECT Assignment of Exploratory Permits 20-28-29-30-31-32-33-34 and 35



DATE November 19, 1970

TO Mr. M. J. Gobert

Senior Assistant Deputy Minister



Attached for approval of Minister of Mines and Natural Resources, Assignments in triplicate of Exploratory Permits 20-28-29-30-31-32-33-34 and 35 from Aquitaine Company of Canada Ltd. to Northwest Oils Ltd.

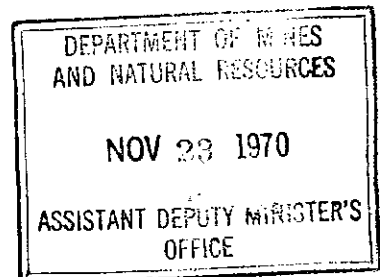
The approval of this assignment is required under Part VI "Far North" of the Oil and Natural Gas Regulations, Section 274.

T. Morgan
T. Morgan

TM/sw
Enc.

c.c.: Mr. J. S. Roper
Director of Mines

RECOMMENDED FOR APPROVAL
J. S. Roper
.....
DIRECTOR OF MINES



MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

JOHN A. CAMERON
EXECUTIVE VICE-PRESIDENT

November 13th, 1970



T.M.
Please draft reply

Mr. J. S. Roper, Director,
Department of Mines & Natural Resources,
Mines Branch,
Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

Dear Mr. Roper,

Our Calgary Branch Manager, Peter M. Oley, P.Eng., in his letter to you dated November 10th, 1970, applied for the grouping of Permits 20 and 28 to 35 with Permits 59 to 60 and 67. The renewal date of Permit 20 is November 23rd, 1970.

We enclose, herewith, a statutory declaration of expenditures in the amount of \$14,000. This credit represents a portion of the mobilization cost incurred in drilling the Whitebear Creek well in 1970. Allocation of this credit should be as follows:-

\$5,488.80 = Credit to be applied for the renewal of Permit 20.
(18,296 acres at .30¢ per acre).

\$8,511.20 = Overage balance we will apply to other Permits at
a later date.

14,000.00

If the enclosed declaration or allocation of the credit is not immediately acceptable, we would appreciate your early notification.

Yours very truly,

Handwritten signature of John A. Cameron.

On behalf of Northwest Oils Limited

consideration the parties hereto agree as follows:

ASSIGNMENT 1.1 The Assignor does, without warranty of title, hereby assign and transfer unto the Assignee, the entire beneficial right, title, interest and estate in and to the Permits.

ACCEPTANCE 2.1 The Assignee hereby accepts the assignment and transfer described herein, and agrees to assume, observe and to be bound by the terms and conditions of the Permits, and to indemnify the Assignor from and against all loss, claims, or liability whatsoever arising out of the failure of the Assignee to comply with its covenants herein contained.

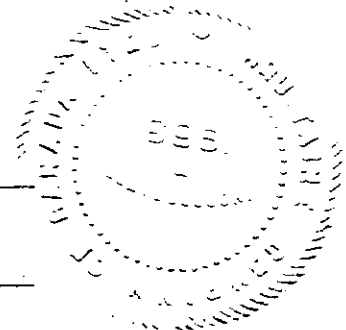
IN WITNESS WHEREOF the parties hereto have properly executed this Indenture as of the day and year first above written.

AQUITAINE COMPANY OF CANADA LTD.,

LEGAL	<i>[Signature]</i>
LAND	
EXPL	
PROD	
ACCT.	

[Signature]
Executive Vice President

[Signature]
Secretary



NORTHWEST OILS LTD.,

[Signature]
Vice-President

[Signature]
Secretary



Approved

[Signature]
Minister of Mines & Natural Resources

SCHEDULE "A"

MANITOBA OIL AND GAS EXPLORATORY PERMITS

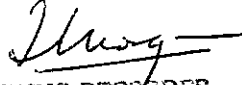
<u>PERMIT NUMBER</u>	<u>DESCRIPTION</u>	<u>ACRES</u>
20	57° 40'; 92° 15'	18,296
28	57° 20'; 91° 00'	39,860
29	57° 20'; 91° 15'	28,400
30	57° 10'; 91° 00'	69,529
31	57° 10'; 91° 15'	69,529
32	57° 10'; 91° 30'	68,234
33	57° 10'; 91° 45'	43,346
34	57° 10'; 92° 00'	45,040
35	57° 20'; 91° 30'	5,780

PROVINCE OF MANITOBA

I hereby certify that the within assignment
is registered in the Mines Branch, Depart-
ment of Mines and Natural Resources under

No. 821-D this 13 day of Nov

A. D. 1970



CHIEF MINING RECORDER

DEPARTMENT OF MINES AND NATURAL RESOURCES

GROUPING NOTICE

To be submitted in triplicate to the Director of Mines:

I/we being the holders
of the permits/leases listed below, hereby apply for the formation of
a group for the purpose of applying approved expenditure.

Permit/Lease Numbers	Operator	Date of Issue	Gross Acres
20	NORTHWEST OILS LTD	23 NOV. 1966	18,296
28	"	26 JAN. 1967	39,860
29	"	"	28,400
30	"	"	69,529
31	"	"	69,529
32	"	"	68,234
33	"	"	43,346
34	"	"	45,040
35	"	"	5,780
59	"	20 FEB. 1968	69,529
60	"	"	57,300
61	"	"	52,209
62	"	"	34,609.5
63	"	"	31,365.
64	"	"	34,454.
65	"	"	66,160
67	"	"	43,870

Grouping Approved _____
Director of Mines

Effective Date _____

Grouping Cancelled _____

Noted by _____

Permittee/Lessee

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

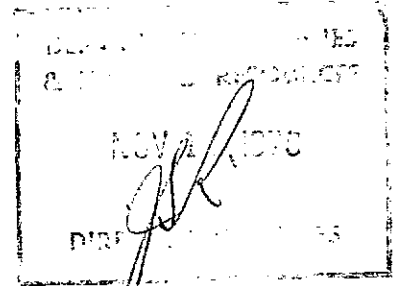
1380 GUINNESS HOUSE

CALGARY, ALBERTA

TEL. 269-6852

November 10, 1970.

Mr. J. Roper,
Director,
Mines Branch,
901 Norquay Building,
401 York Avenue,
Winnipeg 1, Manitoba.



Dear Mr. Roper,

Re: Grouping of Permits

This will confirm our recent discussion with regard to grouping of Manitoba Permit Nos. 20, and 28 to 35 inclusive with Manitoba Permit Nos. 59 to 65 inclusive and 67. The assignments of permit numbers 20 and 28 to 35 inclusive from the Aquitaine group to Northwest Oils were left at Mr. Morgan's office on November 9, 1970, and the registration fee will be forwarded to him today.

As soon as these permits are registered, we respectfully request that they be grouped with the existing Northwest Oils permits so that all of the permits shown in the attached schedule will then be one group. It is our intention to apply the credits and double credits obtained from drilling the Whitebear Creek well to this group of permits, as was our intention when Merland first applied for double credits by letter of March 23, 1970 and advised that it was in the process of acquiring the Aquitaine Permits.

It is noted that Permit No. 20 is up for renewal November 23, 1970. This Permit has 18,296 acres and will require credits of 30 cents per acre or \$5,488.80 to keep it in good standing for one year to November 23, 1971. I have requested Mr. Cameron, Executive Vice-President of Merland Explorations Limited in Toronto to send you immediately a Statutory Declaration of sufficient credits for at least this amount on the understanding that any overage will be applied to other Permits as we may direct at a later date. It is also our understanding that as soon as the Manitoba Department of Mines receives credits which equal the amount of the bonds Merland has on deposit (approximately \$80,000.00) then the bonds will be returned to Merland.

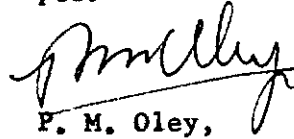
?
\$ 78,000.00 Permits 59, 60, 61, 62, 63, 64, 65, 67

Thank you very much for your time and consideration in this matter.

Yours very truly,

MERLAND EXPLORATIONS LIMITED

per:

A handwritten signature in cursive script, appearing to read "P. M. Oley", written over a horizontal line.

P. M. Oley,
Manager, Calgary Branch.

PMO/j.
Encl.

c.c. Mr. John Cameron.

MANITOBA PERMITS
REQUESTED FOR GROUPING

<u>Permit No.</u>	<u>Acres:</u>
20	18,296
28	39,860
29	28,400
30	69,529
31	69,529
32	68,234
33	43,346
34	45,040
35	5,780
59	69,529
60	57,300
61	52,209
62 E $\frac{1}{2}$	34,609.5
63	31,365
64 E $\frac{1}{2}$	34,454
65	66,160
67	43,870
	<hr/>
TOTAL	777,511

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

*copy to T.M.
23/11
JAM*

DEPARTMENT OF MINES
& NATURAL RESOURCES
NOV 17 1970
DIRECTOR OF MINES

JOHN A. CAMERON
EXECUTIVE VICE-PRESIDENT

November 13th, 1970

*T.M.
please draft reply*

Mr. J. S. Roper, Director,
Department of Mines & Natural Resources,
Mines Branch,
Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

Dear Mr. Roper,

Our Calgary Branch Manager, Peter M. Oley, P.Eng., in his letter to you dated November 10th, 1970, applied for the grouping of Permits 20 and 28 to 35 with Permits 59 to 60 and 67. The renewal date of Permit 20 is November 23rd, 1970. ⁶⁵

We enclose, herewith, a statutory declaration of expenditures in the amount of \$14,000. This credit represents a portion of the mobilization cost incurred in drilling the Whitebear Creek well in 1970. Allocation of this credit should be as follows:-

\$5,488.80 = Credit to be applied for the renewal of Permit 20.
(18,296 acres at .30¢ per acre).

\$8,511.20 = Overage balance we will apply to other Permits at a later date.

14,000.00

If the enclosed declaration or allocation of the credit is not immediately acceptable, we would appreciate your early notification.

Yours very truly,

John A. Cameron

On behalf of Northwest Oils Limited

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1380 GUINNESS HOUSE

CALGARY, ALBERTA

TEL. 269-6852

November 10, 1970.

Mr. T. Morgan,
Chief Mining Recorder,
Mines Branch, Recording Division,
904 Norquay Building,
401 York Avenue,
Winnipeg 1, Manitoba.

Dear Sir:

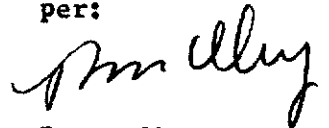
Re: Registration of Permits 20, 28-35
inclusive

Please find enclosed a cheque for \$90.00 to cover registration fees on subject Permits. The assignments from Aquitaine to Northwest Oils Ltd. were left at your office with Mr. C. Lewis.

Yours truly,

MERLAND EXPLORATIONS LIMITED

per:



P. M. Oley,
Manager, Calgary Branch.

PMO/j.

Encl.

c.c. Mr. John Cameron.

October 23, 1970

Merland Oil of Canada Limited
1380 Guinness House
Calgary, Alberta

Attention: Mr. P. M. Oley

Dear Sir:

Re: Transfers covering
Exploratory Permits

As requested by Mr. Ted L. Charne, Q.C., returned
herewith transfers in duplicate covering Exploratory Permits
Nos. 20-28-29-30-31-32-33-34 and 35 from Aquitaine Company
of Canada Limited and Merland Explorations Limited.

Yours truly,

T. Morgan
Chief Mining Recorder

TM/sw
Encls.

COPY

September 28, 1970.

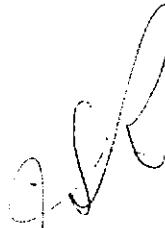
Mr. V.F. Clark,
Aquitaine Company of Canada Ltd.,
2000 Aquitaine Tower,
540 - 5th Avenue S.W.,
Calgary 1, Alberta.

Dear Sir:

Re: Exploratory Permits 20, 28 to 35 incl.

I acknowledge receipt of your letter of September 18, 1970 confirming that the interest assigned from your Company to Merland Explorations Limited was the ownership of the above mentioned permits, and that no credits from other permits in the name of your Company will be allocated to the permits assigned to Merland Explorations Limited.

Yours truly,



J.S. Roper,
Director of Mines.

TM/gh

September 25, 1970

Merland Oil of Canada Limited
1380 Guinness House
Calgary, Alberta

ATTENTION: Mr. P. M. Olev

Dear Sir:

I would refer you to your letter of August 6th, 1970 enclosing assignment of Exploratory Permit Nos. 20, 28, 29, 30, 31, 32, 33, 34 and 35 from Aquitaine Company of Canada Ltd., to Merland Oil of Canada Limited, to be registered in the records of this office.

On August 17th last, I wrote a letter to Mr. T. L. Charne C.C., 460 Main Street, Winnipeg 2, re this assignment, and advised him that before the assignment could be registered, Merland Explorations Limited will have to be registered with our Provincial Secretary's Office to do business in Manitoba, and requested assignment fee of \$90.00 be forwarded to register the assignment. A copy of this letter was forwarded to you.

To date I have not heard from Mr. Charne and I phoned his office today and he is out of the City. I also checked with our Provincial Secretary's Office today and was advised that Merland Explorations Limited is still not registered to do business in Manitoba.

The registration of this assignment is being held in abeyance until such time as Registration of Company is confirmed, and registration fee of \$90.00 is received in this office.

I would advise you that Exploratory Permit No. 20 is in good standing to November 23, 1970 and Nos. 28 to 35 to January 26, 1971.

Yours truly,

T. Morgan
Chief Mining Recorder

 TM/ms

(d)

AQUITAINE COMPANY OF CANADA LTD.

2040 AQUITAINE TOWER - 540 5TH AVENUE S.W.
PHONE: 261-1110 - AREA CODE 403 - TELETYPE 538 22849 PETRAKI CGY - CABLES: PETRAKI CALGARY
CALGARY 1, ALBERTA, CANADA

ACC 5739

T.M.
Please refer to attached permit
J

September 18, 1970

Stamp: *J.H.*
Sept 23/70
10:00 AM

Mr. J. S. Roper
Director of Mines
Government of Manitoba
901 Norquay Building
401 York Avenue
Winnipeg 1, Manitoba

Dear Sir:

Re: Permit No. 20 and
Nos. 28 to 35 incl.

This will confirm my verbal advice that the interest recently assigned by Aquitaine Company of Canada Ltd. to Merland Explorations Limited was limited to the registered ownership of the permits. No credits will be allocated to the above permits from the excess previously available for allocation to these and other permits.

Encl
Permit
20 - 23 - Nov 70
23 - 26 - Jan 71
24 - "
30 - "
31 - "
32 - "
33 - WDC: jin
34 - "
35 - "

Merland
attached
T.M.
by

Yours truly,

AQUITAINE COMPANY OF CANADA LTD.

W.D. Clark
W. D. Clark

August 26, 1970.

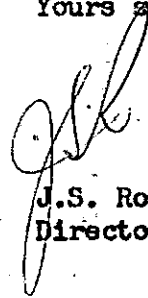
Dr. Jennifer M. Walker,
Director,
University Field Station,
Box 8, Site 2, RR 1,
Portage la Prairie,
Manitoba.

Dear Dr. Walker:

We acknowledge your letter of August 21st, and thank you for your interest in the removal of drilling equipment from the coastal area south of Cape Churchill.

As often happens some incorrect information circulates regarding some of these projects. In this case a diamond drill was used to drill a strata test hole. This equipment is considerably lighter in weight than regular oil well drilling equipment. However, this fact has not deterred our vigilance on the operation, and all phases are being checked by members of this department in the interest of minimizing or negating any damage to the tundra, wildlife, etc.

Yours sincerely,



J.S. Roper,
Director of Mines.

JSR/gh

P.S. Copy to MSG
Bill McLean

August 17, 1970

T. L. Chaine Q.C.
Barrister and Solicitor
440 Main Street
Winnipeg 2, Manitoba

Re: Registration of Merland Explorations Limited

Dear Sir:

In reply to telephone conversation with this office of August 13th, we are enclosing a copy of the regulations covering the Disposal of Oil and Natural Gas Rights and would refer you to page 22 Section 37. Before assignments of Exploratory Permits may be registered, Merland Explorations Limited will have to be registered with our Provincial Secretary's Office to do business in Manitoba.

It will also be necessary to remit fees of \$10.00 per permit - a total of \$90.00 to cover fee for assignment of permits.

Yours truly,

T. Morgan
Chief Mining Recorder

ED/ks
Enc.

c.c.: Merland Oil Company of Canada Limited
1380 Guinness House
Calgary, Alberta

ATTENTION: P. M. Oley

*Phoned August 21, 1970
Merland Oil Co. of Canada Ltd.
NOT REGISTERED*

*Phoned 23rd Sept. Prov. Sec.
Merland Expl. Limited not
registered. Jm.*

EXTRACTS FROM REPORT BY G.C. EMERY
 PAINK BERR DEPRECIATION PROTECTIVE ELECTRICAL FENCE ENCLOSURE
 CAPE CHURCHILL, MANITOBA
 July 5, 1969 - June 30, 1970

Quantity	Size	Item	Supplier	Weight	Unit price	Cost
24	10'	Sign posts	Westeel Rosco	1000#	4.83	\$115.92
16	8'	Sign posts	Westeel Rosco	320	N/C	N/C
3 rolls	6" sq. mesh x 6'h.	Fence wire 200#/roll	Wallace & Wallace	1029		219.82
30 pcs.	160 FBM	Spruce 2" x 4" x 8'	Express Seaport Bldrs.	594	220/M	35.20
2 rolls	80 rod	Barbed wire 145 guage	MacLeods	100	14.45	28.90
2 only	Deluxe	Sur Shock Fences	MacLeods	14	23.25	46.50
48 only		Insulators - Porcelain	Ashdowns	35	61.00/C	29.28
2	H.O.	Batteries - Hot Shot	Ashdowns	14	5.20	10.40
1 box	#14 x 2"	Wood screws	Ashdowns	1	2.10/C	2.10
210		Insulators - Porcelain	Marshall Wells	10	.69	14.49
1 roll	11 guage	Black wire	Marshall Wells	50	8.28	8.28
1	9' x 5/8"	Ground Rod	Marshall Wells	6	2.30	2.30
1	12"	Spikes	Marshall Wells	50	7.61	7.61
2#	1 1/4" x 9 3/4 guage	Wire Staples	Marshall Wells	2	86/ lb.	1.72
6	6-2453	Alligator Clips	Marshall Wells		6.25/C	.38
6	8"	Strap Hinges	Marshall Wells	15	1.08	6.48
12	17-6182	Split bolt connectors	Marshall Wells		31.90/C	3.83
10	36-6661	Gate Handles	Marshall Wells		.50	5.00
				3240 Pounds		\$538.21

Table ii

Rentals - Abby Rents		
Strapping Machine, Strapping Clips		\$ 20.55
<u>Transportation - G. Emberley and R. Feng</u>		
July 5 and 12, 1969	Trans-Air (Winnipeg - Churchill Return)	268.00
July 8 and 12, 1969	Lamb-Air (Churchill - Cape Churchill Return)	44.80
		\$ 312.80
<u>Express C.N.R. Winnipeg to Churchill</u>		
April 29, 1969	Fence Posts 1300#	59.50
	Hardware 400#	
May 9, 1969	3 Rolls Fence Wire 1029#	42.40
July 2, 1969	Cable Cutter, Fence Pounder 150#	8.40
	2 ctns. Tools	
<u>Churchill to Winnipeg</u>		
July 14, 1969	1 Fence Pounder	5.35
	1 Cable Cutter	
		115.65
<u>Air Freight</u>		
May 15, 1969	Lamb-Air 2 trips Churchill - Cape Churchill	166.40
	128 miles @ 1.30/mile	
<u>Total Costs</u>		
	Material	538.21
	Transportation	312.80
	Express	115.65
	Air Freight	166.40
	Rentals	20.25
		<u>\$1,153.31</u>

Table III Height and general condition of fence above snow. May 13/70.

Side	Post Number	Total height of fence above snow (inches)	Number of strands of barbed-wire above snow	Height of mesh wire above snow (inches)	Notes
East	1 Corner Post	51½	3	32	
	2	42	2	21½	a
	3	43½	2	21	
	4	37	2	16	
	5	33½	2	16	b
	6	23½	2	4½	
	7	34	2	15	c
	8	44½	2	25½	
North	9 Corner Post	60	3	40	
	10	63	4	46	
	11	66	4	48	
	12	66	4	46	
	13	57	4	36½	
	14	68	4	40	
	15 Corner Post	53	3	34	d
16	56	3	39		
West	17	61	4	45	
	18	53	3	38	
	19	59½	4	42½	
	20	60	4	42	e
	21	62½	4	47½	
	South	22 Corner Post	65	4	43
23		70	4	51	
24		70	4	51	
25		65	4	45	
26		62	4	42	

Table iv Location of hair snags and condition of fence

Side of Fence	Between Posts	Barbed-Wire Strands					Total Number of Hair Snags	Condition of Mesh-Wire	Comments
		1	2	3	4	5			
East	1 - 2			1*-N**			1	bent out but not down at top	
	2 - 3	2-S	4-N	3-S	2-S		11	buckled down badly, 2 bends to wire	1, 2
	3 - 4	2-S	2-S	2-S	1-S		7	bent down with 2 buckles in it	3, 4
	4 - 5	5-S	1-S	1-S	0-S		7	Slightly buckled out at top	
	5 - 6	1-N					1		
	6 - 7	7-S	0-SS				7	bottom badly pushed in	
	7 - 8	1-S	1-N	1-N	1-SS		4	bent down and badly buckled in 2 places	5
	8 - 9	0-S							
	9 - 10	2-N	2-S	0-S	0-S		4	buckled in on bottom half	6
	Gate								
North	11 - 12								
	12 - 13			1-N			1	"bowed in" on bottom third	
	13 - 14								
	14 - 15			1-N			1		
	15 - 16					1-N	1		
West	16 - 17								
	17 - 18	2-N					2		
	18 - 19							bent out to within one inch of strands 2 & 3 of barbed-wire	
	19 - 20								
	20 - 21					2-SS	2	badly buckled down from top	
	21 - 22							rigid at top but buckled out on bottom third	

Table iv Location of hair snags and condition of fence (Continued)

Side of Fence	Between Posts	Barbed-Wire Strands					Total Number of Hair Snags	Condition of Mesh-Wire	Comments
		1	2	3	4	5			
	22 - 23								
	Gate								
South	24 - 25								
	25 - 26								
	26 - 1								
Total Number of Hair Snags							49		

* hair snags found

** condition of barbed-wire: N = normal, S = stretched,

SS = Badly stretched

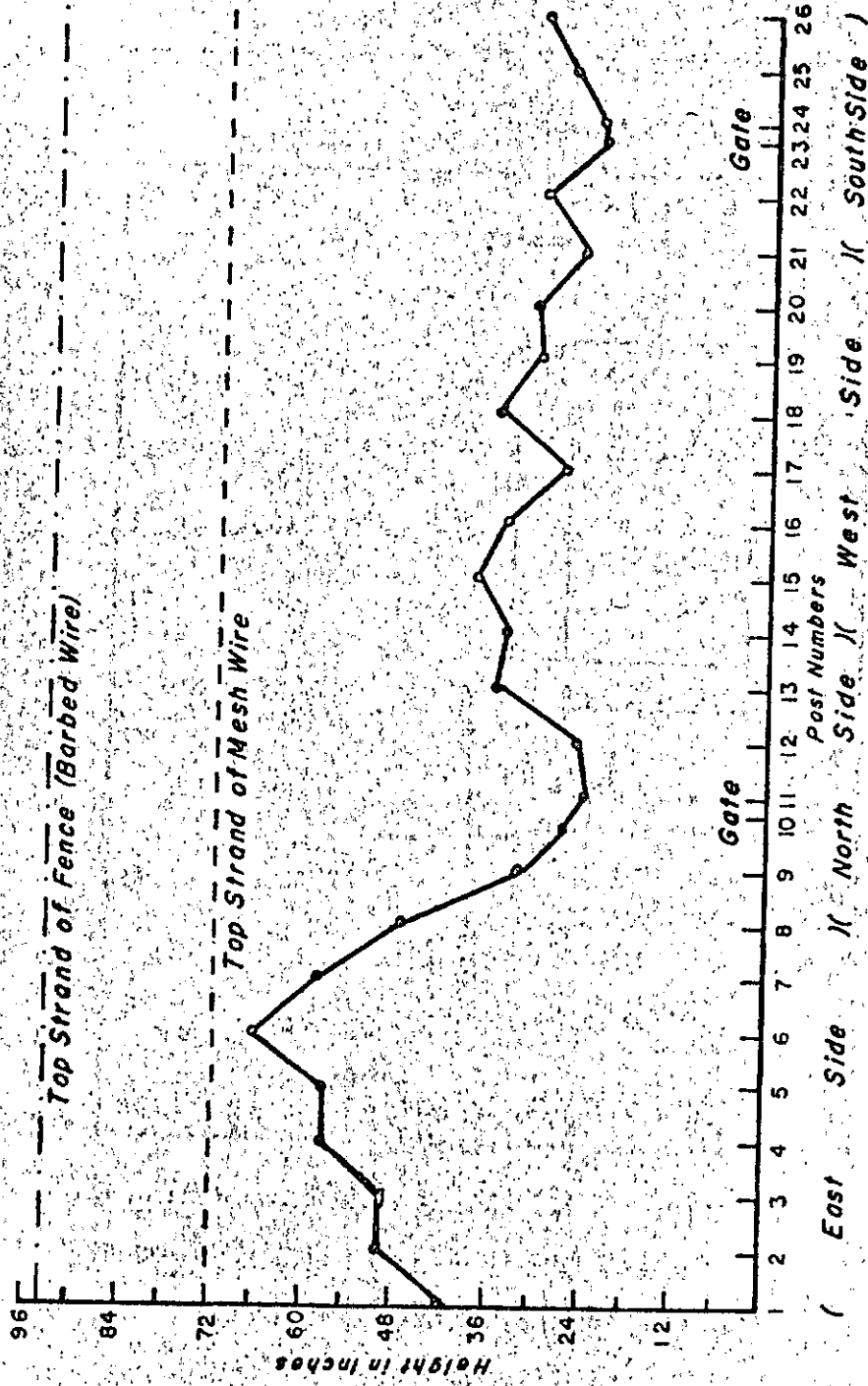


Figure No. ili Snow Depth Profile May 13, 1970

(East Side (North Side) West Side (South Side))

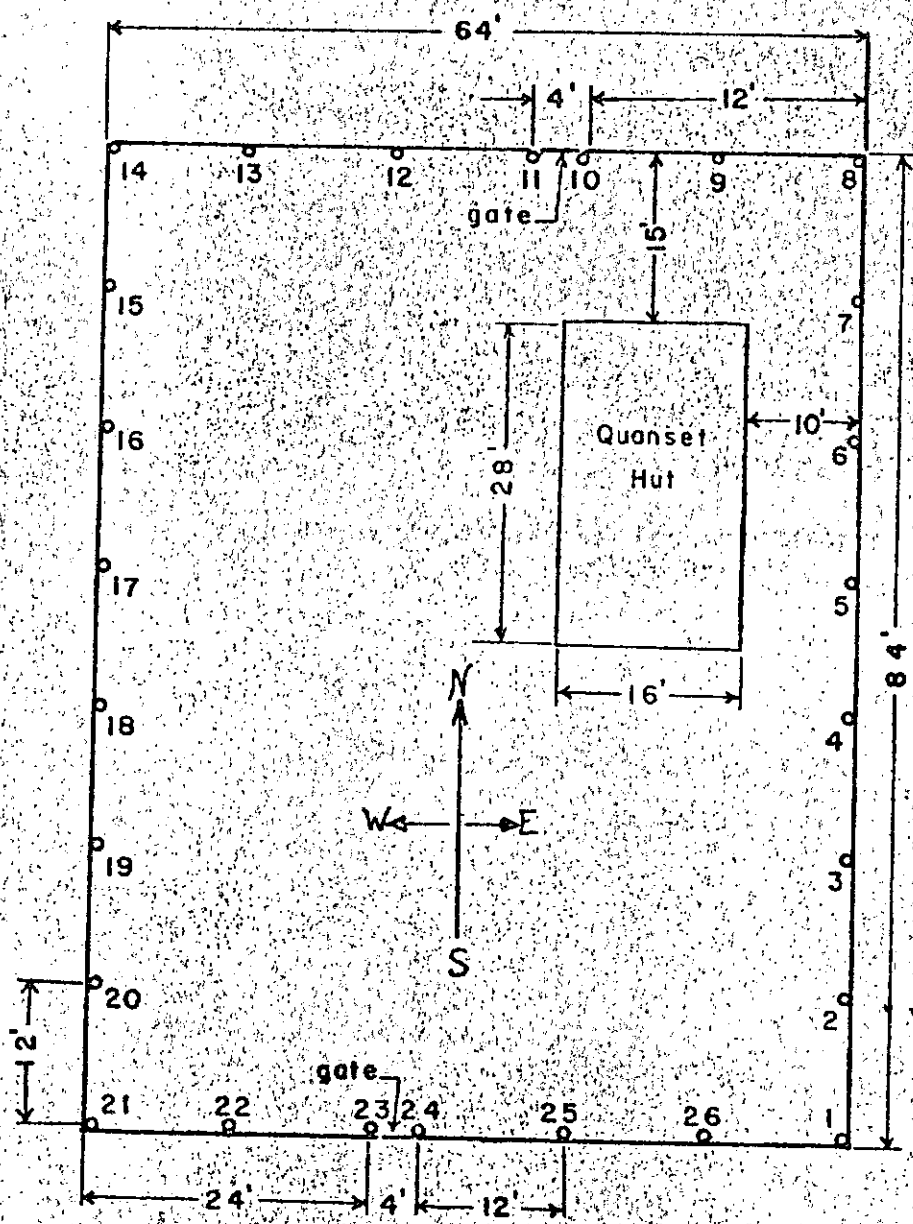


Diagram No. 1

Fence Post Location Reference

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

August 6, 1970

9423301

Government of the
Province of Manitoba,
Department of Mines
and Natural Resources,
Legislative Building,
WINNIPEG 1, Manitoba

Attention: Mr. T. Morgan -
Chief Mining Recorder

Dear Mr. Morgan:

Re: Manitoba Permits

Please find enclosed two copies of a fully executed assignment of Manitoba Permit Numbers, 20,28,29,30, 31,32,33,34,35, from Aquitaine Company of Canada Ltd., to Merland Explorations Limited. Please register these permits in Merlands name and return the two registered copies of the agreement, to our office.

Yours very truly,

P.M. Oley, Manager
Calgary Branch

PMO:ls
Encl.

How about credit
established by Aquitaine?
M.

cc: Merland Explorations Limited - Toronto

Aug 10 - 1970
Phoned Companies Br
Merlands Oil Co of Canada Ltd
Merlands Explorations Ltd
NOT registered to the Merlands
in Manitoba

Aug 12 - 1970
Phoned Provincial Secretary again
rechecked - Company NOT registered
Phoned Mr. Charne's office
will call back

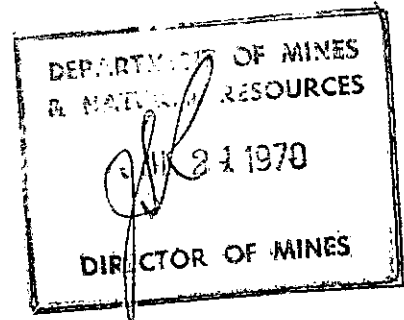
MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

FSG
M

July 17th, 1970



To The Shareholders:

As mentioned in the semi-annual report of the Company as at March 31st, 1970, the Company's change of name to Merland Explorations Limited has now been confirmed by supplementary letters patent .

The share certificates presently held by shareholders remain valid. However, shareholders are entitled to obtain a new share certificate(s) issued in the Company's new name representing the shares of the Company owned by them in exchange for the share certificate(s) that they presently hold.

If you wish to obtain a new share certificate you may do so by contacting the Company's registrar and transfer agent, Guaranty Trust Company of Canada and surrendering your old share certificate(s) to Guaranty Trust Company of Canada at any of its following offices.

88 University Avenue, Toronto, Ontario.

311 Eighth Avenue Southwest, Calgary, Alberta.

624 Howe Street, Vancouver, B.C.

The method of delivery of share certificates to Guaranty Trust Company of Canada is at the option and risk of the holder but if mail is used, registered mail is suggested. Shareholders are entitled to receive one new share certificate without charge. In the event that additional new share certificates are required, a charge of fifty cents per certificate will be made.

It is expected that the shares of the Company will be listed for trading in the Company's new name on the Vancouver Stock Exchange on or about Monday July 20th, 1970.

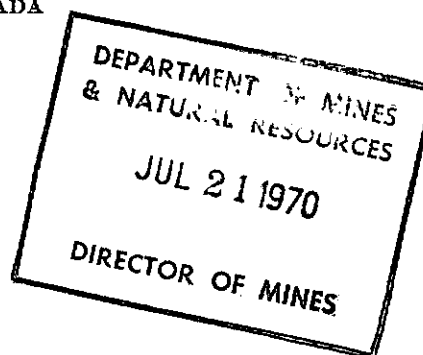
Yours very truly,

John A. Cameron
Executive Vice-President
and Secretary Treasurer.

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517



July 17th, 1970.

INTERIM REPORT TO THE SHAREHOLDERS

You will find enclosed a letter which outlines the procedure for the issuance of new share certificates in the name of Merland Explorations Limited and will note that the shares of the Company will be listed for trading on the Vancouver Stock Exchange, under the new name, on or about Monday 20th July, 1970.

As all registered shareholders will be receiving this letter we are taking advantage of this special mailing to bring you up-to-date on the Company's exploration activities since the mid-year financial report, dated March 31st, 1970.

This time of year is often a period when significant developments occur in the exploration for minerals. You will note from the following information that some of the exploration programmes being carried on by Merland have reached the stage where management must be particularly vigilant.

HUDSON BAY

This is the first progress report on the drilling of Merland et al Whitebear Creek STH#1, a well on the shore of Hudson Bay about forty miles from York Factory. This well is a slim hole designed to obtain information on the oil and gas possibilities of the onshore and offshore acreage held by your Company and its associates. It is the only well being drilled in this general area of Hudson Bay which is attracting increasing attention from the oil and gas industry. Reflecting this interest, an extensive marine seismic programme is planned by the Aquitaine Company for later this summer.

The well was spudded on June 26th, 1970 and surface casing was set at 300'. Technical information from this test will be kept confidential and no further details will be announced until all results are analyzed.

GASPE

The planned summer programme is well underway on the approximately two-hundred and forty-five claims in the Gaspé area. This consists of geological mapping, geochemical sampling and other similar activities. We expect to have an evaluation with a view to conducting Induced Polarization surveys and drilling for base metals by mid-August and funds have already been allocated for this purpose in the 1970 budget.

JAMAICA

A \$40,000 geochemical programme has started on the Flint River and Wagwater permit areas. This will carry this project through to later in the year when it will be possible to assess the results and to formulate geophysical and drilling plans. Your Company is following the recommendations of its own resident professional staff and of consultants, E. E. Campbell, P.Eng. and A. Y. Smith, P. Eng. Mr. Smith is a specialist in geochemistry. We consider the mineral prospects of Jamaica excellent and if the results of the current phase of exploration are favourable we will move into a new programme which is expected to involve expenditures of approximately \$200,000.

ALBERTA

The first two wells are expected to start drilling in mid-August on the interests acquired in southern Alberta in a three-way partnership with Twin Oils Ltd. and Harris Exploration Ltd. These two wells are farmouts on a 7,000 acre block. A second group of farm-out prospects on a 40,000 acre spread has been prepared for drilling during the summer. A total of 60,000 acres has been acquired and we anticipate that eight or nine wells will be drilled by the end of 1970.

GENERAL

This is proving to be a very active year for Merland with all of our mineral exploration projects reaching important stages of development. Despite the general state of the economy and the obvious difficulties present in financing, we have been able to use the resources generated by our investment programme to move into worthwhile ventures and by obtaining strong partners are able to support the efforts of our mining and oil professional staff on a relatively broad scale.

Further reports will be mailed to shareholders as conditions warrant.

Respectfully,

R. John Adams, President

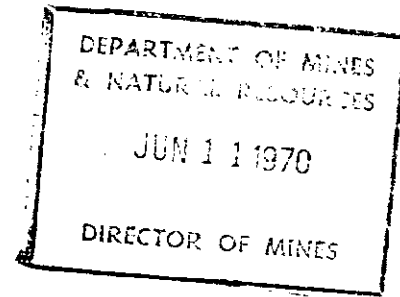


THE ROYAL BANK OF CANADA

MAIN BRANCH
TWENTY KING STREET WEST, TORONTO 105, ONT.

June 10, 1970

Department of Mines and Natural Resources
Province of Manitoba
Norquay Building
Winnipeg, Manitoba



Attention Mr. J.S. Roper

Dear Sir:

MERLAND EXPLORATIONS LIMITED - NORTHWEST OILS LTD.

Further to our letter of June 4th and our telegraphic message of the same date, concerning the drilling deposit to be lodged by the subject, we understand that our Main Branch in Winnipeg has delivered to you today a letter of undertaking covering the \$5,000 Manitoba Telephone Systems, 8% September 15, 1974 bonds which are to be held as a deposit against a drilling license granted to Northwest Oils Ltd. We have today forwarded this bond to our Winnipeg Branch by air express and in a matter of a day or two this bond will be delivered to you against your receipt and upon return of the letter of undertaking.

We also wish to confirm that the subject bond was purchased on behalf of Merland Explorations Limited at a price of \$99.50 and according to current quotations on this issue this bond is trading in the \$98/\$99.50 range.

We trust this will be satisfactory for your purposes.

Yours truly,

E.J. Desormo
Assistant Manager

c.c. Mr. J.A. Cameron, Executive Vice-President
Merland Explorations Limited

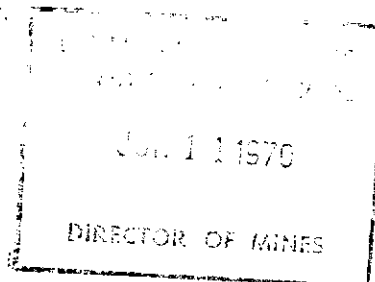
Mr. Thadius L. Charne
460 Main Street
Winnipeg 2, Manitoba



THE ROYAL BANK OF CANADA

MAIN BRANCH
TWENTY KING STREET WEST, TORONTO 105, ONT.

June 4, 1970



Department of Mines and Natural Resources
Province of Manitoba
Norquay Building
Winnipeg, Manitoba

Attention Mr. J.S. Roper

Dear Sir:

MERLAND EXPLORATIONS LIMITED - NORTHWEST OILS LTD.

We confirm as follows our telegraphic message of today's date:

"Merland Explorations Limited on behalf of their subsidiary Northwest Oils Ltd. have instructed us to deliver to you Five Thousand Dollars (\$5,000.00) Manitoba Telephone Systems, Eight Percent (8%) 1974 Bonds to be held as a deposit against a drilling license. We hold confirmation of the purchase order and delivery is expected to be made to us on or about June 8, 1970 at which time these bonds will be forwarded to you against your receipt."

Yours truly,

E.J. Desormo
Assistant Manager

c.c. Mr. J.A. Cameron, Executive Vice-President
Merland Explorations Limited

Mr. Thadius L. Charne
460 Main Street
Winnipeg 2, Manitoba

INTERNAL - DEPARTMENTAL MEMORANDUM



DATE June 9, 1970.

FROM J.S. Roper,

TO Mr. W. Winston Mair,
Deputy Minister.

Director of Mines.

PROVINCE
OF
MANITOBA

SUBJECT APPLICATION FOR LICENCE TO DRILL NEW WELL - MERLAND EXPLORATIONS LIMITED:

WEST SHORE OF HUDSON BAY.

We have prepared this licence encompassing what we feel are the necessary technical requirements and including what we understand will cover the conservation requirements (polar bears).

We would appreciate it if you would peruse the attached copy and return with any additions, deletions or alterations. We expect the drilling deposit hourly and believe that once it has been received the pressure will be on us to issue the licence.


J.S. Roper

JSR/ia

att.

c.c. M.J. Gobert



THE ROYAL BANK OF CANADA

MAIN BRANCH
220 PORTAGE AVENUE, BOX 6500, WINNIPEG 1, MAN.

Telephone 946-1670

June 10, 1970

DEPARTMENT OF MINES
& NATURAL RESOURCES

JUN 10 1970

DIRECTOR OF MINES

J.S. Roper, Esq.,
Department of Mines &
Natural Resources
Province of Manitoba
Room 901, Norquay Building
Winnipeg, Manitoba

Dear Sir:

This letter will serve as our undertaking to deliver to you \$5,000 Manitoba Telephone System 8% bonds due September 15, 1974 in bearer form for account of Merland Explorations Ltd., the parent company who are lodging the bonds on behalf of Northwest Oils Ltd., in support of a drilling license.

These bonds we understand are being dispatched by air express from Toronto today and we should appreciate receiving your acknowledgment of this letter by appropriately signing the enclosed copy.

Countersigned:

Yours truly,

H.D. Revell
pro-Manager

J.C. Tough
Manager, Securities

*Enclosed copy signed
"J.S. Roper
per D.B."*

*Returned Mr. Tough's call @ 9:00 am June 11/70 and advised that we had
rec'd this letter.*

Telephone call. From Mr. C. June 8/70
in which he objected vigorously - stated they had
paid 99 1/2 for bonds & that he wd. send us copy of
the interest coupons on bond would
purchase order. Also that - stated they had bid 98, 98 1/2, 99,
even any market at all. with no response. JSR

June 5, 1970.

Mr. J. Cameron,
Merland Oil Company of Canada Limited,
360 Bay Street,
TORONTO, Canada.

Dear Mr. Cameron: Re: Drilling Deposit-Permits 59-65, 67

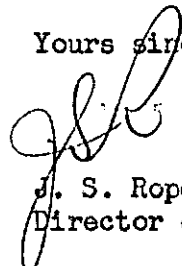
Relevant to the copy of your recent letter to the Royal Bank, Toronto, and the Bank's telegram, we dispatched the following telegram to you to-day:-

"We received a telegram from Royal Bank Toronto advising that the bank has instructions to purchase \$5,000 of M.T.S. bonds in your company name and deposit them with us as a drilling deposit. Today's market quotation on these bonds is less than face value. We require the \$5,000 deposit or equivalent on deposit date, therefore suggest you forward cheque or bond to cover the difference between face value and market on date of deposit".

Dispatched by E.L.
12:25 PM.
9430421.

I believe the telegram is self-explanatory and that we have discussed this point with you and Mr. Oley, but, in short, our Accounting Department requires the full amount of the deposit. M.T.S. 8% Sept. 15, 1974 bonds were quoted at 96.75 this morning and this necessitated our request that you make arrangements to forward the difference.

Yours sincerely,



J. S. Roper,
Director of Mines.

JSR/el

c.c. to: Mr. P.M. Oley
Manager,
Calgary Branch,
Merland Oil Company of Canada Limited,
1380 Guinness House,
CALGARY, Alberta.

INTERNAL DEPARTMENTAL MEMORANDUM



PROVINCE OF MANITOBA

DATE June 4, 1970.

FROM Mr. J. S. Roper,
Director of Mines.

TO Mr. M. J. Gobert,
Assistant Deputy Minister.

SUBJECT Re. Application for Licence to Drill New Well.

DEPARTMENT OF MINES & NATURAL RESOURCES
JUN - 5 1970
DISTRIBUTION REQUIRED

Attached letter arrived since waiting this
from H. Charne
J.

We have received no communication re this letter of credit referred to in Mr. Charne's letter of May 14, 1970, and the delay is bothersome because we might be expected to receive the letter of credit one day and issue the licence the same day. With this and the last two paragraphs of Mr. Oley's letter of May 1st to you, I suggest that we have our part of the Application for Licence to Drill New Well completed to the point that the drilling bond is all that is required to be acceptable to us.

In this regard we suggest the attached letter (draft only) be forwarded to Mr. Oley, with copy to Mr. Charne.

JSR:db

Enc. 1.

DEPARTMENT OF MINES AND NATURAL RESOURCES
JUN 4 1970
ASSISTANT DEPUTY MINISTER'S OFFICE

June 3, 1970.

Mr. J. S. Roper,
Director of Mines,
Mines Branch,
901 Norquay Building,
Winnipeg 1.

Mr. W. C. McLean,
Regional Director,
Field Administration,
Box 990,
The Pas, Manitoba.

Work Permit -
Midwest Drilling Company;
Merland Oil Company of Canada.

Attached, please find copy of

- (1) Midwest Drilling Company letter to Mines Branch, dated May 14, 1970, re Work Permit.
- (2) Our reply to Midwest, dated June 3rd.
- (3) T. H. Charne, Q.C., letter to Trevor Morgan, dated May 14, 1970, re Drilling Licence.
- (4) Application for Licence to Drill New Well.

As of this writing we have not received the letter of credit referred to in Mr. Charne's letter; therefore, the Application for Licence to Drill New Well has not been completed or approved. We expect that the letter of credit, or suitable alternate, will be forthcoming, and when all the details of the licence have been worked out and approved at this end we will pass the details to you.

We contacted the Lands Branch with respect to the subject of using the surface during the drilling of the well, and attach copy of their reply, dated May 22, 1970, for your information.



JSR:db

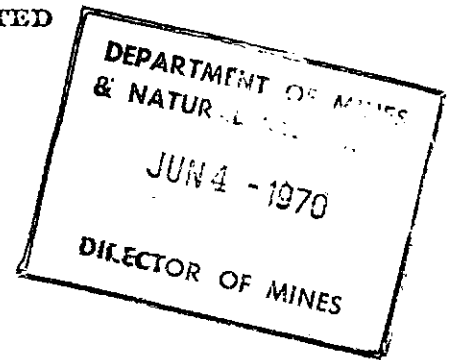
c. c. to: Mr. M. J. Gobert.

MERLAND EXPLORATIONS LIMITED

360 BAY STREET, TORONTO, CANADA

JOHN A. CAMERON
EXECUTIVE VICE-PRESIDENT

June 2nd, 1970



Mr. E. J. Desormo,
Assistant Manager,
The Royal Bank of Canada,
Main Branch,
20 King Street West,
TORONTO 1, Ontario.

Dear Ed,

This will be your authority to purchase \$5,000 Manitoba Centennial Bonds in bearer form for delivery to the Treasurer of the Government of Manitoba, to be lodged as a drilling deposit in the name of our wholly owned subsidiary, Northwest Oils Ltd.

Please wire Mr. J. S. Roper, Director of Mines, that you have purchased the bonds and in due course will forward the certificate for lodgement. Please send a copy of your covering letter to Mr. Thadius L. Charne, 460 Main Street, Winnipeg 2, Manitoba, our attorney in Winnipeg.

Yours very truly,

John A. Cameron

✓ c.c. Mr. J. S. Roper
c.c. Mr. T. L. Charne
vj c.c. Mr. P. M. Oley

IN - DEPARTMENTAL MEMORANDUM

FROM M.J. Gobert,

Assistant Deputy Minister.

SUBJECT RE: HUDSON BAY DRILLING BY MERLAND OIL COMPANY OF CANADA LTD.

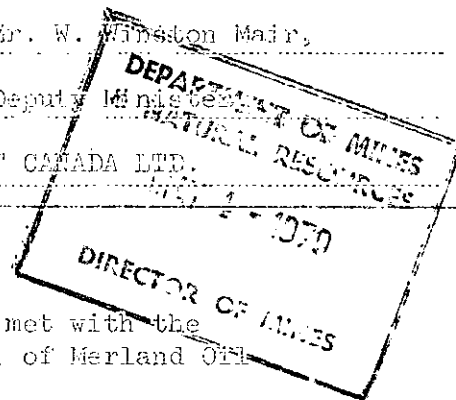


PROVINCE
OF
MANITOBA

DATE May 1, 1970.

TO Mr. W. Winston Mair,

Deputy



Further to Mr. Gamsy's memo attached, I met with the Manager, P.M. Oley and General Counsel, T. Charne, of Merland Oil Company of Canada Ltd. April 30, 1970.

It was made very clear to them that there would be no relaxation of the regulations and that they could expect more than usual supervision.

We would give them every assistance but they were to realize that there was strong opposition to any drilling in this area.

From a practical point of view, the drilling rig is similar to the 70 - 100 diamond drills operating in the north.

To avoid any question of pollution we are insisting on blow out prevention equipment and casing of the hole.

1. Drilling rig -- Longyear Model 44 diamond drill
2. Blow out Preventer --- Rattigan
3. Casing -- 3½" casing to be run to 300 feet and cemented to surface if this is physically possible.
4. Mud Chemicals -- Non-toxic gel mud will be used during drilling of surface hole. Due to small diameter of hole volume of the non-toxic material will probably not exceed 100 gallons. (It is a form of gelatine)
5. Mud pits -- Due to small hole and small mud volume, mud pits will be very small and since hole is located on the coast are not expected to be in perma frost.
6. Casing -- Minimum of 300 feet of 3½" casing to run and cemented to surface. This is normal oil well procedure but unheard of with a diamond drill.
7. Abandonment -- Hole is to be filled with cement to the surface and drill site cleaned up.

8. Supply Route -- Drilling rig and supplies were taken in by winter freight -- should not cause any damage to terrain.

Route was from Lawledge in a north-easterly direction along the drainage system to the mouth of White Bear Creek.

During drilling, supplies will be airlifted in from Gillam and rig and supplies removed same way.
9. Air strips -- Small D-2 tractor is on site and it is expected strip can be built on the beach -- again beyond the perma frost area.
10. Drainage -- Small volumes of drilling water will be drawn from White Bear Creek and no operation will disturb the area drainage.
11. Drill Site -- Due to heavy snow and flat terrain precise site has not been picked. This will not be possible until snow has gone. Company is concerned that rig and supplies are on shore -- may be on mud flats.
12. Contractor -- Mid West Drilling of Winnipeg
13. Supervision -- Company - Consultant experienced in drilling in the area and Mid West man will be on the site throughout drilling.

Department C.O.'s and Petroleum staff will make inspections.
14. Communications -- They expect to have radio communication with Thompson through Mid West or M.T.S.
15. General -- They were advised to keep a clean camp -- locate garbage dump at least $\frac{1}{2}$ mile from drill site camp.

We would permit the company and contractor supervisors to be armed. If real problems developed we would put an armed man in camp.
16. Commencement -- Some time in June, 1970.

It was further emphasized that in a sense the eyes of the world would be on this operation. Any interference with the wild-life or the terrain of the area would prejudice any future operations and indeed the completion of this one.

On the other hand, we both wanted to develop the north and with co-operative understanding on both sides we could do it.

Mr. Roper and I will meet with Mr. Dave Marshall - head of Mid West Drilling and discuss technical details of drilling program - operation of the camp and behaviour of drilling crews.

If any of you have specific requirements which I have overlooked, please advise me as soon as possible.

The company officials have been made aware of the activities carried out by the Churchill Rocket Research Range staff.

M. J. Gobert/ia

M.J. Gobert

MJG:ia
att.

c.c. - Lloyd Brooks
W.K. Webster
W.C. McLean
J.S. Roper ✓
G.E. Johnson

Merland - Far north file.

Copied from SSR file, 14 Jan 71

I did not see this reply to letter since I drafted for SSR

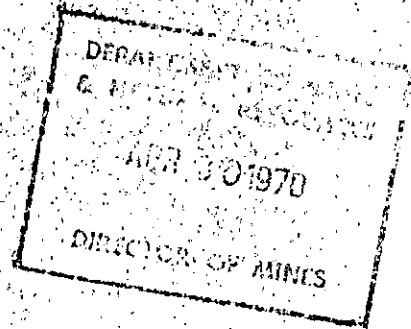
MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 869-0517

April 29th, 1970

Mr. J. S. Roper,
Director of Mines,
Department of Mines & Natural Resources,
Mines Branch,
Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.



FSG

Dear Mr. Roper,

Far North Exploratory Permits 59-65 and 67

I have a copy of your letter of April 15th addressed to our Calgary Manager, Mr. P. M. Oley, P. Eng., which sets out the conditions under which you are prepared to grant double credits for the White Bear Creek core hole. As you are no-doubt aware, this will be the only exploratory deep test hole to be drilled in the entire Hudson Bay region during 1970 and it will be closely watched by the oil and gas industry at large.

We can meet the conditions outlined in paragraphs (iii) and (iv) of your letter and the contractor will use his best efforts to obtain a complete longitudinal section of core as requested in paragraph (v). It is impractical, in our view, to request that the well be completely cored at not less than BQ size as requested in paragraph (i). The contractor will be using BQ equipment which should result in a 1.7/16" core, but surely, you would not withdraw the granting of double credits if it were found necessary to resort to AQ equipment at some point, thus producing a 1.1/16" core over part of the hole? Finally, while our target is the Precambrian Basement there is no way that we will agree in advance to the condition outlined in your paragraph (ii) and we feel, quite frankly, that the imposition of this requirement destroys the incentive aspects of the double credit provisions contained in Section 253 of the Regulations.

There are very few permit holders left onshore in Manitoba and considerable acreage has been dropped in the offsetting, offshore Federal permit areas. Merland will be using its best efforts to obtain the maximum in scientific data from this exploratory hole and has accepted a very high factor of risk in proceeding at this time. There is great competition for exploration funds in Canada and I am doubtful that Merland, or its associates, would find much further interest in the search for oil and gas in Manitoba if we were unable to earn reasonable credits for the White Bear Creek well.

Mr. Oley will be in Winnipeg later this week and will be calling on the Deputy Minister and your office to give you a progress report and to discuss the contents of this letter.

Yours sincerely,

John A. Cameron
JOHN A. CAMERON
Executive Vice-President.

c.c. Mr. Gobert, Deputy Minister

vj

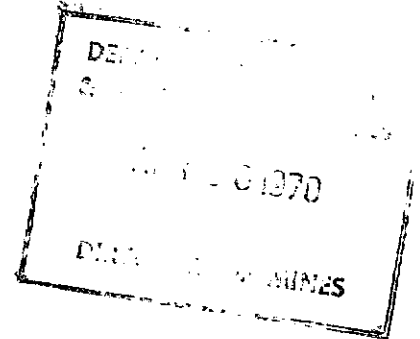
MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

April 29th, 1970

Mr. J. S. Roper,
Director of Mines,
Department of Mines & Natural Resources,
Mines Branch,
Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.



FSG.

Dear Mr. Roper,

Far North Exploratory Permits 59-65 and 67

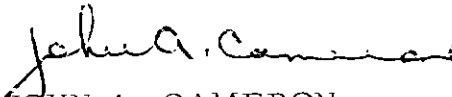
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Mr. Oley will be in Winnipeg later this week and will be calling on the Deputy Minister and your office to give you a progress report and to discuss the contents of this letter.

Yours sincerely,


JOHN A. CAMERON
Executive Vice-President.

c.c. Mr. Gobert, Deputy Minister

vj

INTERNAL DEPARTMENTAL MEMORANDUM

FROM F. W. Gansy
Reservoir Engineer



PROVINCE
OF
MANITOBA

DATE April 28, 1970

TO M. J. Gobert
Assistant Deputy Minister

SUBJECT HUDSON BAY DRILLING by MERLAND OIL

F.S.G.

PERMIT HOLDINGS

Northwest Oils Ltd., acquired, by permit, a block of ground totalling some 389,407 acres bordering the west shore of Hudson Bay, north of York Factory. The permits were issued in February 1968.

Northwest Oils Ltd., is a wholly owned subsidiary of Merland Oil Company of Canada Limited.

DRILLING LOCATION

Merland Oil Company has proposed to drill a structure test hole on the shoreline of Hudson Bay at a location approximately 57° 22' North Lat., and 92° 27' West Long., near White Bear Creek.

The drilling rig and supplies have been moved in to the location by winter tractor train.

DRILLING CONTRACTOR

Midwest Drilling of Winnipeg have been given the contract for drilling a "slim hole", using a BX-type diamond drilling machine capable of coring 3,000' in limestone.

REQUIREMENTS (casing and blowout preventer)

1. The Petroleum Division has requested that a minimum of 300' of "N" (3½") casing be available for use for running surface casing.

The company has informed us that 400' of "N" casing has been moved to the site.

2. The company is to install a blowout preventer before any coring commences.

The company has informed us that a RATTIGAN blowout preventer, with master valve and bleed-off line will be used. It has not been taken in to the site as yet, according to our information.

(coring and logging)

1. The test hole must be completely cored at not less than BX size (1 7/16 core diameter)

2. The hole must be cored 50 feet into the Precambrian Formation.
3. An electric log must be run to total depth.
4. A complete longitudinal section of core must be supplied to the Mines Branch.

(The coring and logging program must be fulfilled before the core hole can be designated a deep exploratory test, for purpose of credits)

SUPERVISION


Mr. Frank Blue, P. Eng., is to be the supervisor in charge, at the wellsite, for the company.

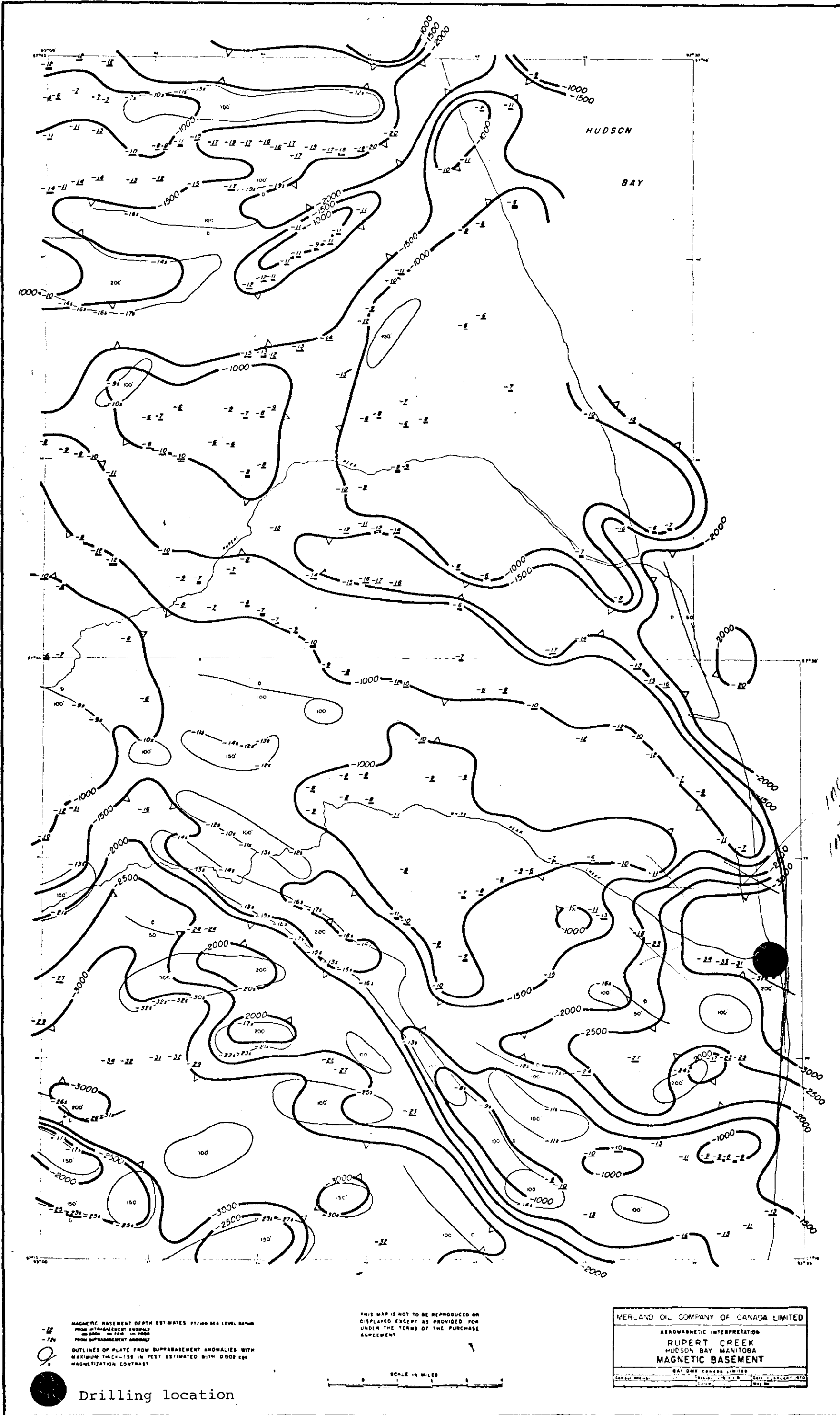
Mr. P. M. Cley, manager of the company's Calgary branch, is responsible for the overall project.

LICENCE


No licence has been issued to date.

Mr. Cley is to meet with the Director of Mines on April 30th (tentative date) to discuss all phases of the drilling program, pollution control and protection methods to be enforced at the campsite relative to protection of wildlife (polar bears, caribou, etc.) and safety of drilling personnel.

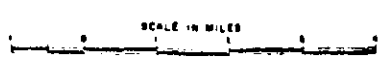




-12 MAGNETIC BASEMENT DEPTH ESTIMATES FT./100 SEA LEVEL DATUM
 FROM AIRMAGNETIC ANOMALY
 -726 FROM SUPRABASEMENT ANOMALY
 OUTLINES OF PLATE FROM SUPRABASEMENT ANOMALIES WITH
 MAXIMUM THICKNESS IN FEET ESTIMATED WITH 0002 EPS
 MAGNETIZATION CONTRAST

 Drilling location

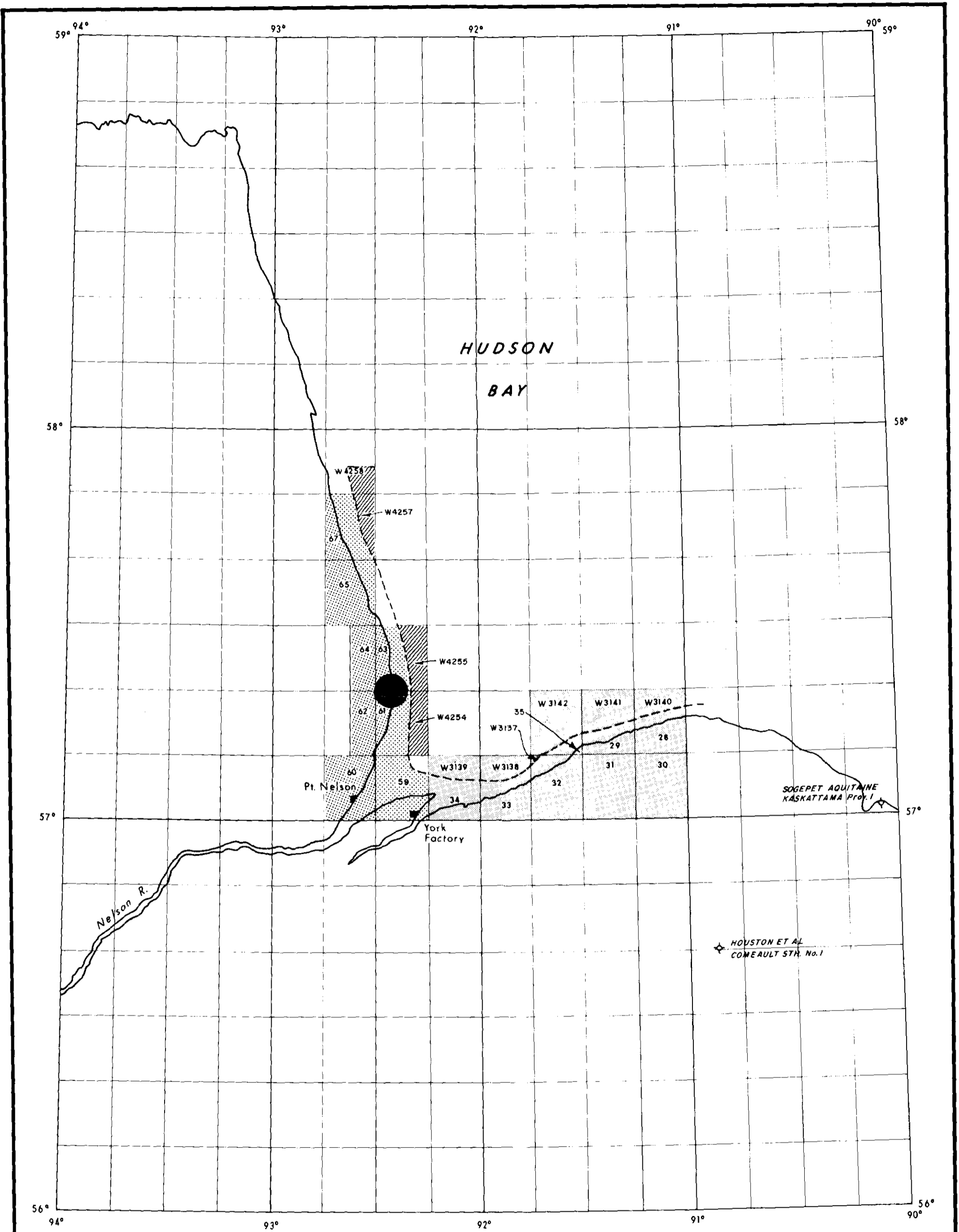
THIS MAP IS NOT TO BE REPRODUCED OR
 DISPLAYED EXCEPT AS PROVIDED FOR
 UNDER THE TERMS OF THE PURCHASE
 AGREEMENT


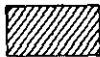





MERLAND OIL COMPANY OF CANADA LIMITED
 AEROMAGNETIC INTERPRETATION
 RUPERT CREEK
 HUDSON BAY MANITOBA
 MAGNETIC BASEMENT
 MAY 1964

Incorrect interpretation

*Copy to Gofly
 File 1004
 15/Nov/70*



-  NORTHWEST OIL - 389,407 acs. onshore
-  PIPAWA EXPLORATION - 103,000 acs. offshore
-  AQUITAINE - 187,200 acs. offshore
-  - 369,718 acs. onshore
-  Drilling Location

MERLAND EXPLORATIONS LIMITED
HUDSON BAY PERMIT LANDS

SCALE: 1"=16mi.



PROVINCE OF MANITOBA
DEPARTMENT OF
PROVINCIAL TREASURER
WINNIPEG

April 22 1910

Manitoba Oil Company of Canada Ltd.
360 Bay St.
Toronto, Ontario

Dear Sir:

Re: *matured coupons*

We are enclosing herewith the following Debentures and/or coupons.

Description	Due Date	Series and Number	Amount	Remarks
<i>Manitoba Telephone System</i>	<i>Mar 15/10</i>	<i>1K 9013-14</i>	<i>2 x 1000.00</i>	
		<i>1K 4015-16</i>		
		<i>4019-21</i>	<i>5 x 200.00</i>	
		<i>0 597-99</i>	<i>3 x 40.00</i>	

Please receipt on the enclosed copy of this letter and return promptly to the Deputy Provincial Treasurer, Legislative Buildings, Winnipeg.

Yours very truly,

J. Appleyard
DEPUTY PROVINCIAL TREASURER,
for

Encs.

No 3720

April 17, 1970

T. Morgan

Mr. R. Pozernick

Chief Mining Recorder

Management Services

Merland Oil Company of Canada Limited

Attached herewith copy of Letter from N. Mathieson,
Assistant Treasurer of the above company with request that coupons
be clipped from Bonds held by the Department.

Manitoba Telephone System Bonds, 8% (Series 1K) in the
amount of \$78,000.00 were handed to you with my memo of Sept. 17,
1969.

T. Morgan
Chief Mining Recorder

TM/ms
Encl.

*F.S.G. please
make sure that M.O.G.
gets a copy of this tomorrow.
f.s.g. 20/40*

MERLAND OIL COMPANY OF CANADA LIMITED
360 BAY STREET, TORONTO, CANADA
TEL. 363-9517

DEPARTMENT OF MINES
AND TECHNICAL SURVEYS
APR 20 1970
DIRECTOR OF MINES

MERLAND OIL COMPANY OF CANADA LIMITED
REPORTS
PROGRESS ON ITS HUDSON BAY WELL

*Place on
Northwest Oil file
Permit 59-65, 67*

*Copy to M.O.G.
APR 21 1970 f.s.g.*

Merland reports that a drilling rig under contract from Midwest Drilling of Winnipeg has successfully reached the drill site on the shore of Hudson Bay at the mouth of White Bear Creek 57° 22' N and 92° 27' W and will be stored there until about May 15th, 1970, at which time drilling will commence.

The rig, camp and supplies were moved in from the CNR point at Lawledge 75 miles to the location by Sigfusson Transportation "Cat Train".

The well is to be a 3,000 foot 'slimhole' basement test which will be completely cored using BX Mining Equipment. It is expected that the lower portion of the Devonian and a full section of Silurian and Ordovician will be penetrated with prospective horizons being in the Middle Silurian and the Ordovician.

Wellsite supervision for the project will be provided by Mr. Frank Blue, P. Geol. Mr. Blue has had considerable experience with previous drilling operations in the Hudson Bay Basin.

The well will be drilled on a 389,407 acre block held by Northwest Oils Ltd., a wholly owned subsidiary of Merland. Merland has also acquired a 10% interest in 103,000 acres of off-setting offshore Pipawa Explorations Limited permits and has an option to acquire the remaining 90% within one year after the well is drilled. A further acquisition of 187,200 acres of offshore permits and 369,718 acres of Manitoba onshore permits has been made from Aquitaine, so that Merland will own or control approximately one million acres in the area, to support the well.

Ownership in the venture is as follows:-

Merland (Northwest Oils Ltd.)	59%
Adera Mining Limited	12%
Oro Mines Limited	12%
Pathfinder Uranium & Nickel Mines Limited	12%
Yukon Antimony Corporation Limited	5%
	<u>100%</u>

April 15th, 1970.

Copy sent to M.O.G.

April 15, 1970.

Mr. P. M. Oley, Manager,
Calgary Branch,
Merland Oil Company of
Canada Limited,
1380 Guinness House,
Calgary, Alberta.

Dear Mr. Oley:

Re: Far North Exploratory Permits 59-65 and 67

On the basis of your submission of March 30, and as provided for under Section 253 of Regulations Under the Mines Act, we are prepared to designate the White Bear Creek core hole as an exploratory deep test well, provided the following conditions are fulfilled:

- i) the well must be completely cored at not less than BQ size.
- ii) the well must be cored 50 feet into Precambrian Basement.
- iii) an electric log must be run to total depth.
- iv) all procedures, precautions, etc. required under Part IV of the Regulations Under the Mines Act must be followed.
- v) any core sampling must be limited to longitudinal splitting, and a complete longitudinal section of core must be supplied to the Mines Branch.

It should also be noted that a detailed outline of costs must be submitted, and only those expenses directly related to drilling costs will be allowed for double credit.

Yours very truly,


J. S. Roper,
Director of Mines.

HRM/hf

c.c.: Mr. S. Gamey
p.c.: Dr. H. R. McCabe

MERLAND OIL COMPANY OF CANADA LIMITED

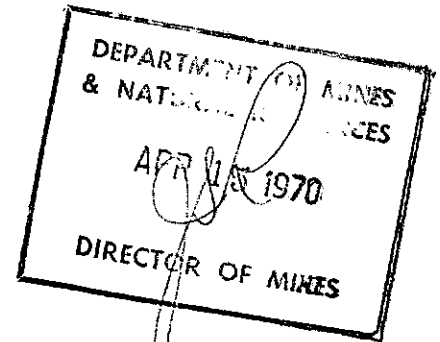
360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

April 14th, 1970

T.M.
3/17/70

Mr. J. S. Roper, Director of Mines,
Department of Mines & Natural Resources,
Mines Branch,
Directors Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba



Dear Mr. Roper,

Re: Northwest Oils Ltd.,
Exploratory Permit Nos. 58 to 68

In September 1969 \$78,000 face value Manitoba Telephone System 8% Sept 15/74 bonds were assigned to the Provincial Treasurer against the above exploration permits. From your letter of September 5th, 1969 it would appear that the coupons would be forwarded when due. To-date we do not appear to have received either the coupons or a cheque in lieu of coupons due March 15th, 1970.

Would you be kind enough to locate same and if still held by the Province of Manitoba arrange to have the coupons and all subsequent coupons forwarded direct when due to the writer at the above address.

Thank you.

Yours truly,

N. Mathieson
N. Mathieson,
Assistant Treasurer.

Note: Since September 5th permits nos. have been altered to permits 59-65 and 67

INTER-DEPARTMENTAL MEMORANDUM

FROM F. S. Gamey

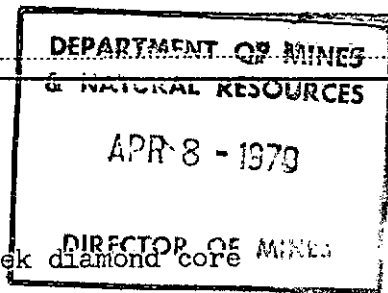


PROVINCE OF MANITOBA

DATE April 8, 1970

TO J. S. Roper
Director of Mines

SUBJECT MERLAND OIL



Re: Phone call to Mr. P.M. Oley (April 7)

re: casing and blowout preventer for White Bear Creek diamond core hole

- (1) They are taking in 400 ft. of N casing but would prefer not to run 300', if they are in good solid limestone.
- (2) They have a Rattigan (?) blowout preventer - with master valve and bleed-off line.
- (3) They are taking a BQ wireline core (2 23/64" hole diameter (1 7/16" core diameter

cc: Grady Johnson

April 8, 1970.

J. S. Roper,
Director of Mines.

Mr. W. C. McLean,
Regional Director,
Dept. of Mines & Natural Resources,
Provincial Bldg., THE PAS, Man.


Permits 59, 60, 61, 62, 63, 64, 65 and 67 -

Merland Oil Company of Canada Limited.

Further to our recent discussions on the above subject, we have received a letter from Mr. Oley of Merland, setting forth their geological prognosis for the drilling of this well. I believe you will be interested in part of their letter, which I quote "Plans are being made to move equipment into the drill site in April by cat train from Lawledge and to commence drilling in May. If possible, an airstrip will be cleared when the cat train is on location, and it is planned to use aircraft to service the well during drilling operations and to move the equipment out."

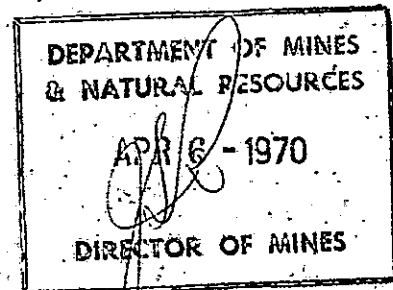
Best regards.

JSR/or


J. S. Roper.

Ottawa 3, Canada
April 1, 1970

Mr. P.M. Oley
Manager, Calgary Branch
Merland Oil Company of Canada Ltd.
1380 Guinness House
Calgary, Alberta



Dear Sir:

Thank you for your letter of 16 March 1970, expressing your willingness to cooperate with us on the basis of the principle that I described in my last letter. Unfortunately, we now must withdraw our request to use the hole if and when it is abandoned. This decision is based on several factors, including the difficulty of obtaining suitable pipe in time to go in with the rig, the risks involved that the hole will turn out to be unsuitable for our work, on tight budget for this year, and the relative importance of work in this area compared with our work further north in regions of deep permafrost.

We would be very grateful if you would let us know if your driller encounters permafrost and, if so, the estimated depth would also be of interest. As you may know, the National Research Council has published a map of permafrost distribution, but the data are very sparse. A depth of 100 to 200 feet is quoted for Churchill, but the depth is very dependent on surface conditions, particularly proximity to shoreline.

Thank you again for your kind offer of cooperation.

Yours faithfully,

A. M. Jessop
Division of Seismology

AMJ:lt
cc: Mr. Roper

c.c. to: Mr. M. J. Gobert,
Assistant Deputy Minister.

MERLAND OIL COMPANY OF CANADA LIMITED

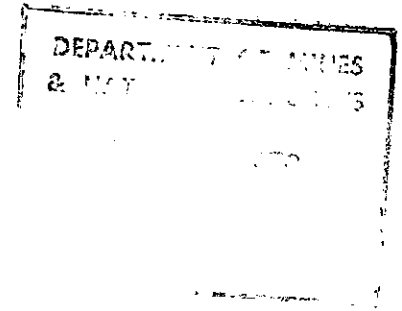
360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

*F.S.G.
copy [unclear]*

March 30, 1970



Department of Mines and Natural Resources
Mines Branch - Director's Office
901, 401 York Avenue
Winnipeg 1, Manitoba

Attention: Mr. J.S. Roper

Dear Sir:

Re: Hudson Bay Project

This is in answer to your letter requesting additional information on our plans for drilling a well at the mouth of White Bear Creek. The final choice of location was made due to the result of an aero magnetic interpretation by GAI-GMX (copy of map enclosed) which shows the depth of magnetic basement in the area to be in excess of 3000 feet. A maximum section of sediments will be penetrated at this point and there is a possible hydrocarbon trap as the magnetic basement rises sharply from the location to the North, East and South East. Structure to the West indicates a down dipping trend into the center of the basin. The exact location at the mouth of the creek is (57° 22' N, 92° 27' W) was chosen for suitability of terrain and for availability of water for drilling operations.

Plans are being made to move equipment into the drill site in April by cat train from Lawledge and to commence drilling in May. If possible an air strip will be cleared when the cat train is on location, and it is planned to use aircraft to service the well during drilling operations and to move the equipment out.

Page Two
Department of Mines and Natural Resources
March 30, 1970

Our plans for drilling have not changed, that is, a mining rig will be used, N casing will be set and cemented 50 feet below the base of the drift and the balance of the hole will be cored with BQ equipment. An electric log will be run to T.D. upon completion of drilling. After logging the well will either be abandoned or transferred to the Federal Government Observatories Branch to run casing.

With regard to a geological prognosis, the only meaningful control available is the section penetrated in the Kaskattma well and we are using it as a guide and have presented it attached even though this well is over 100 miles away and is South of Moak Lake - Thompson Lake trend. Another difficulty with a prognosis is that it is not possible to determine the bed rock formation as there are no outcrops along the shoreline between Kaskattama and the Owl River to the North.

Merland's well will therefore be a very significant test, in that it will provide specific subsurface geology where even regional geology is theoretical, and it will be the first well to be drilled for oil and gas to the North of the Moak Lake - Thompson Lake trend.

I hope that the above information will be satisfactory to you.

Yours very truly,



P.M. Oley, Manager
Calgary Branch

PMO:mjw
enc.

cc - J. Cameron

PROGNOSIS

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Drift	0	+ 30
<u>Devonian</u>	100	- 70
<u>Silurian</u>		
Upper	500	- 470
Middle*	1200	- 1170
Lower	2000	- 1970
<u>Ordovician</u>		
Churchill River Group*	2300	- 2270
Bad Cache Rapids Group*	2800	- 2770
Precambrian	3100	- 3070

* Expected porous zones

March 25, 1970.

Mr. P. M. Oley, Manager,
Calgary Branch,
Merland Oil Company of Canada
Limited,
1380 Guinness House,
CALGARY, Alberta.

Dear Mr. Oley:

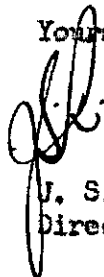
Re: Permits 59, 60, 61, 62, 63, 64,
65 and 67

We acknowledge your letter of March 23 and your request for double credits for drilling a well at the mouth of White Bear Creek on the West shore of Hudson Bay.

Due to the various changes in information since your letter of November 26, 1969 we would appreciate receiving your revised location, drilling, operational, servicing and completion plans, as well as your revised prognosis in order that we may assess your request for double credits.

Prior to any work in the area you are required to contact the Administrative Officer, Churchill Research Range, Fort Churchill, Manitoba, re entering the Rocket Recovery Range and Mr. W. C. McLean, Regional Director North, Field Administration, Dept. of Mines and Natural Resources, Box 990, The Pas, Manitoba, regarding work permit requirements.

Yours sincerely,



J. S. Roper,
Director of Mines.

JSE/or

c.c. to: Mr. F. S. Gamey,
Reservoir Engineer.
Mr. W. C. McLean,
Regional Director North,
The Pas.

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

March 23, 1970

Province of Manitoba
Department of Mines and Natural Resources
Mines Branch - Directors Office
901 Norquay Building
401 York Avenue
Winnipeg 1, Manitoba

Attention: Mr. J.S. Roper

Dear Sir:

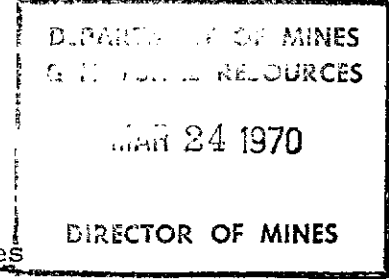
Re: Hudson Bay Project

Some time ago when I was in your office we briefly discussed the possibility of double credits for drilling a well at the mouth of White Bear Creek on the West shore of Hudson Bay. Merland is progressing favorably with plans to drill this well and by this letter we wish to formally apply for double credits.

As you know the projected total depth of the well has increased from less than 2000 feet to over 3000 feet as a result of our aero-magnetic interpretation and the greater depth will increase the cost considerably. In addition to this there is very little interest in the area at the present time, which has made financing difficult.

This well will be the only one to be drilled for oil or gas in this area of Manitoba this year and we hope that you are able to give us your favorable consideration in this matter.

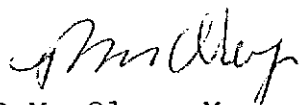
H M c l
20/3/70
well comments when additional
geological data re well program etc
is supplied (esp core logging).



Page Two
Province of Manitoba
March 23, 1970

As a matter of interest we are now in the process of acquiring 100% working interest in Aquitaine's permits 28 to 35 inclusive, being 369,718 acres, which will give Merland a total of 759,125 acres in Manitoba along the shoreline of the Bay.

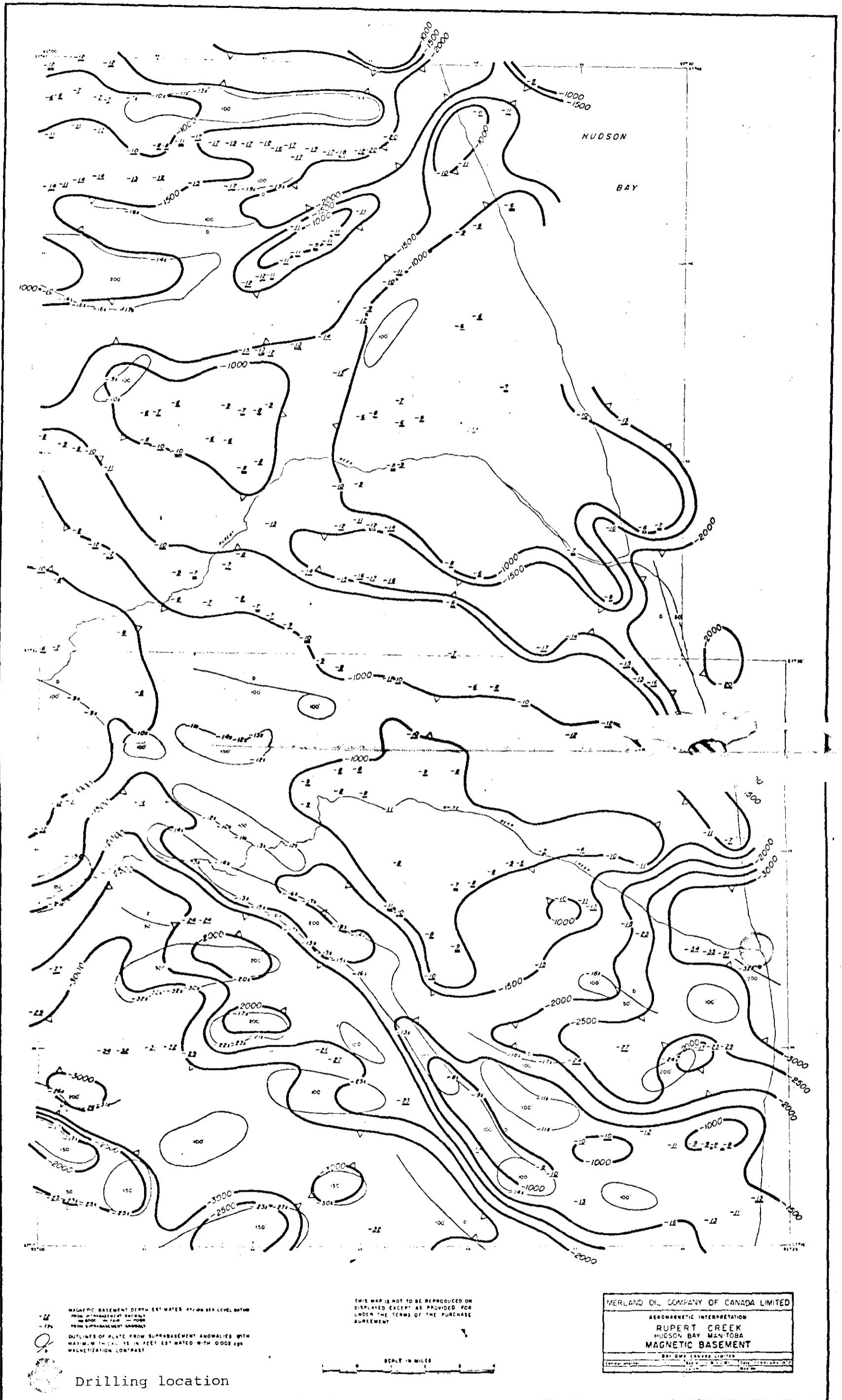
Yours very truly,



P.M. Oley, Manager
Calgary Branch

PMO:mjw

cc: J. Cameron



INTER-DEPARTMENTAL MEMORANDUM



PROVINCE OF MANITOBA

DATE *March 20, 1970.*

90 FROM Mr. J. S. Roper,
Director of Mines.

90 Mr. M. J. Gobert,
Assistant Deputy Minister.

SUBJECT Use and Abandonment of Holes Drilled for Oil and Natural Gas Information.

Is it permissible to allow another Governmental Agency (Dominion Observatory, Dept. of Energy, Mines and Resources) to utilize a diamond drill hole, drilled in Manitoba for oil and natural gas information purposes, to conduct temperature and other scientific recordings? The other Governmental Agency propose to record the information over several years.

The foregoing permission is requested with the provision that the responsibility for proper and continuing maintenance of the hole, as well as proper abandonment procedures, will be accepted by the Governmental Agency requesting same.

Yes
This sounds good
They were interested
in using logs but
Manitoba has
it water flow rock
it out.

JSR:db

DEPARTMENT OF MINES
AND NATURAL RESOURCES
MAR 20 1970
ASSISTANT DEPUTY MINISTER'S
OFFICE

J. S. Roper

J. S. Roper.

DEPARTMENT OF MINES
& NATURAL RESOURCES
MAR 23 1970
DIRECTOR OF MINES

March 19, 1970.

Mr. J. S. Roper,
Director of Mines.

COPY

Mr. P. S. Gasey,
Reservoir Engineer.

Mr. T. Morgan,
Chief Mining Recorder.

Re: Northwest Oil Permits 59, 60, 61, 62,
63, 64, 65, 67.

(Merland Oil Co.) "Slim" hole east side of #61 or #63.

Further to Mr. Oley's recent visits re drilling a slim hole to fulfil the Company's permit requirements somewhere in the White Bear Creek area (on land as close to the Bay as practical), I had a phone call from a Mr. Jessop (Dominion Observatory, Dept. of Energy, Mines & Resources, Ottawa) today. The Observatory is interested (if the hole is to be abandoned, dry), in casing the hole, cementing casing at bottom, installing observation instrumentation, capping hole, recording observations over a 3- to 5-year period, then abandoning the hole according to our requirements.

Mr. Oley advised Mr. Jessop that if the hole is abandoned, dry, and the Observatory wanted to record observations for 3 - 5 years, Merland would want to be relieved of its responsibility to the Manitoba Government of abandoning the hole, and thus Merland would be able to recover their drilling deposit.

Mr. Jessop indicated they had conducted similar observation experiments in other wells in the N. W. T. and on federal lands. Specifically he asked whether the Observatory would have to replace the drilling deposit if and when it is returned to Merland. My answer was that I thought not provided the Dominion Observatory promised us in writing that they would be responsible for the abandonment of the well according to our requirements when they completed their observations.

Mr. Jessop said that he had to have the casing ready to go in by tractor train in 10 days. I informed him that Mr. Gobert was away, and that my opinion could be overruled. He thought he would take that risk, contact Midwest Diamond Drilling, and order the casing to be delivered for the tractor train. He also suggested that he would have the Federal lawyers start working out agreements for Merland and ourselves. I told him that we would have our actions checked by our legal advisors.

On the assumption that we do receive approval to permit the Observatory to use and abandon the hole, if dry, I would appreciate having Stan. & Ted write out a sample of the Application to Drill, deposit return details, any maintenance requirements, and abandonment requirements in detail so that they may be checked by Mr. Moylan or our legal advisors. Any comments on these and other technicalities which should be taken care of on this matter will be appreciated.

JSR:db

J. S. Roper

P. S. Mr. Jessop's phone number is (613) 994-5159 (Ottawa).

C. C. to: Mr. M. J. Gobert,
Assistant Deputy Minister.

J. S. Roper
XXXXXXXXXX

November 27, 1969.

Mr. P. M. Oley, P. Eng.,
Merland Oil Company of Canada Limited,
360 Bay Street,
TORONTO, Ontario.

Dear Mr. Oley:

Re: Exploratory Permits No. 59-65, inclusive
and No. 67 Northwest Oils Ltd.

Thank you for your letter of November 26th, setting forth your tentative plans for drilling a well on the above noted permits.

We will look forward to your proposed visit. Should you wish information with respect to operating regulations, please contact Mr. Stan Gamey of our Petroleum Division at 946 7161; or information regarding mineral recording please contact Mr. Trevor Morgan, our Chief Mining Recorder, at 946 7444, or the undersigned at any time.

Yours sincerely,



J. S. Roper,
Director of Mines.

JSR/or

MERLAND OIL COMPANY OF CANADA LIMITED

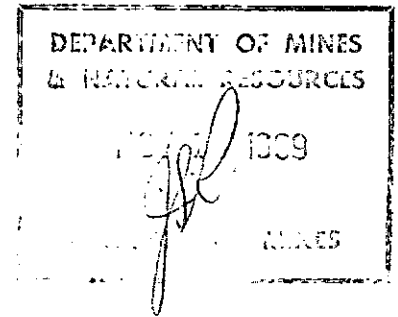
360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

November 10th, 1969

(B)

Mr. J. S. Roper, Director of Mines,
Department of Mines & Natural Resources,
Mines Branch, Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Man.



Dear Mr. Roper,

Re: Northwest Oils Ltd./Merland Oil Company
of Canada Limited

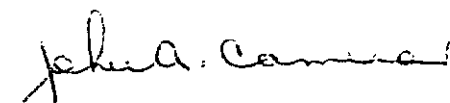
In August of this year we applied for the renewal of Exploratory Permit numbers 59-65 and 67. Your department subsequently granted the necessary approval in a letter dated September 5th. We are required to report on the expenditures made during the first period and you will find attached a letter on this subject which we trust conforms to Section 251 of the Mines Act.

During my visit to your office in August and in my letters to you dated August 15th and September 17th a programme of exploration, to include a "slim hole", was outlined. At the time we were depending on the assistance of a geologist, who is familiar with the area, to design the programme, obtain the necessary drilling contracts and present to your department a professionally prepared plan. Unfortunately, we have recently been advised of a possible conflict of interests and the geologist has reluctantly withdrawn his services.

In November, Merland acquired controlling interest in a private consulting and exploration company in Calgary known as Conquest Oil & Mining Limited; P. M. Oley, P.Eng., President. Mr. Oley is presently familiarizing himself with our Hudson's Bay permits and has promised to forward a proposal for the slim hole programme already announced, by the end of November. We estimate the cost will be \$80,000 - \$90,000 to drill to the Precambrian and our present thinking is that the best period, climatically, will be in the latter weeks of the first quarter of 1970.

We have no intention of delaying this stratigraphic test any longer than is necessary and will do our utmost to keep your department fully informed. Your continued co-operation is appreciated.

Yours very truly,


JOHN A. CAMERON,
Executive Vice-President.

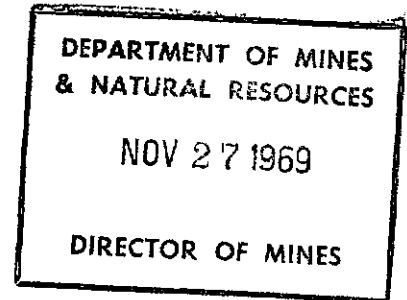
MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

November 26, 1969

Mr. J.S. Roper, Director of Mines,
Department of Mines & Natural Resources,
Mines Branch, Directors Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.



Dear Mr. Roper:

Re: Northwest Oils Ltd./Merland Oil Company
of Canada Limited

I am writing you with regard to a preliminary program for drilling a well on Manitoba Exploratory Permits No. 59-65 and 67. I have recently been employed by Merland as manager of its Calgary Branch and Mr. J.A. Cameron has made me responsible to carry out this drilling project.

This well will be drilled in March or April 1970 to take advantage of the warmest and best flying weather possible and still be able to work on snow. It is expected that the location of the well will be near the mouth of either White Bear or Rupert Creeks depending on which is most favourable geologically. A reconnaissance trip into the area will also be required before equipment is sent in, to select the exact location which will be determined with regard to terrain suitable for erection of camp site, drillsite and clear airstrip for landing on skis as well as availability of a fresh water supply.

Since the well will be drilled near the shoreline, the estimated elevation is 30 feet above sea level.

.....2

Page 2
November 26, 1969

A tentative Geological prognosis is presented below, but it is emphasized that the Precambrian top could vary between 1,000 and 2500 feet because of a lack of geological control. Aeromagnetic work in the area shows several sharp anomalies and it is yet to be determined, how to locate the drill site in relation to these anomalies.

We anticipate drilling this test with a mining rig similar to that used to drill the Houston et al Comeault STH #1 well in 1968, and are presently working on the logistics of this operation with other operators and contractors who have had experience in this area. The most favourable method of mobilization at this time would seem to be by rail to Gillam and thence to the drill site by aircraft, probably skii equipped twin Otter or DC-3.

It is expected that N casing will be cemented in at a depth of 150 - 200 feet depending on the formations penetrated and the balance of the well will be cored with BQ equipment which will give a 1-7/16" core. An electric log will be run from casing shoe to T.D., when the Precambrian is reached. If the well is abandoned an abandonment program will be obtained from the Manitoba Mines Branch.

It is estimated that the total cost of this project will be \$80,000.

I expect to visit your offices sometime during the winter to get acquainted and also expect that much of the detail with regard to drilling will be ironed out by that time. For the time being however, it is hoped that the above tentative plan is acceptable to you.

Yours very truly,

MERLAND OIL COMPANY OF
CANADA LIMITED



P.M. Oley, P.Eng.

PMO:ls

PROGNOSIS

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Drift of Sand	0	+30
<u>SILURIAN</u>		
Attawapiskat*	30	0
Ekwan*		
Severn River		
Port Nelson		
<u>ORDOVICIAN</u>		
Red Head Rapids	830	-800
Churchill River*		
Bad Cache*		
<u>PRECAMBRIAN</u>	1400	-1370

*Expected porous zones.

NOTE- According to a seismic shotpoint at the mouth of Rupert Creek, basement could be as deep as 2343 at this point, which would mean that the above prognosis would have to be amended accordingly. The formation thicknesses used in the above prognosis are derived from the Houston et al Comeault STH #1, which lies about 80 miles Southeast of our proposed location, and other published data.

MERLAND OIL COMPANY OF CANADA LIMITED

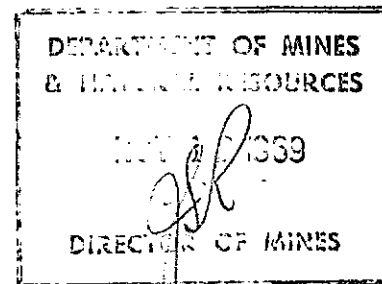
360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

November 10th, 1969

(A)

Department of Mines & Natural Resources,
Mines Branch,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Man.



Attn. Mr. J. S. Roper, Director of Mines

Dear Sir:

Northwest Oils Limited
Exploratory Permit Numbers 58 to 68.

With the co-operation of your department we have recently renewed, for a period of 30 months, permit numbers 59 to 65 and 67. Under Section 251 of the Mines Act we are required to report on exploration expenditures, incurred during the last period.

Merland Oil and its subsidiary, Northwest Oils, did not have a qualified engineer or geologist on its staff until late in 1968 and depended previously on the services of consultants. The pace of exploration activity, mainly mining, accelerated during this current year and you will note from the Special Report enclosed that Merland has greatly expanded its activities in Canada and abroad. It has been most difficult to obtain the services of competent advisors for the Hudson's Bay project and for these reasons our direct expenditures on the permits were minimal. We estimate Head Office expense, including legal and travel expense, amounted to approximately \$3,500 for the period.


It was our intention, during the period, to locate partners to share in the risk of surface exploration and drilling but in this we were unsuccessful. Merland, during most of the period, had insufficient funds to undertake the necessary expenditures on its own. Happily, the company concluded a successful rights issue in June of this year and is now in sound financial condition. Merland has invested approximately \$90,000 in this highly speculative venture and will employ the services of its new Calgary manager, P. M. Oley, P.Eng., to formulate an acceptable programme during the early months of the new period.

We trust that you will view favourably this report and the reasons for the lack of exploration activity in the period. Merland has demonstrated its confidence in the prospect by investing an additional \$60,000 in the renewal of permits and has organized its affairs so that a qualified engineer/geologist

is now responsible for the planning of the exploration phase in the current period.

Yours sincerely,

MERLAND OIL CO. OF CANADA LTD.


JOHN A. CAMERON,
Executive Vice-President.

JAC/vj

MERLAND

OIL COMPANY OF CANADA LIMITED

Suite 500, 360 Bay Street, Toronto 105, Ontario, Canada

A SPECIAL REPORT

October, 1969

For its first forty years, Merland Oil Company of Canada Limited had a modest career as an oil producer in Alberta and Saskatchewan. Then in 1966 Mr. R. John Adams, who first acquired an interest in the Company in 1951, started the program which has led to Merland becoming a promising factor on the Canadian and overseas mineral exploration scene. On its own account and with partners Merland has become active in the Gaspé, in the Wollaston Lake area, the Hudson Bay oil exploration play, the Arctic Muskox project and other areas of interest in Canada. Abroad, Merland is showing particular interest in Jamaica, Greece, Spain and East Africa. It has ample funds and it has senior personnel especially well qualified to handle these somewhat exotic projects of high potential value. Of particular interest at the moment is a nickel prospect situated only fourteen miles from Kingston, Jamaica.

The purpose of this report is to provide a brief history of the Company and to outline its present exploration posture by discussing in detail its various programs now under way and planned. These programs are being carried out in accordance with the Directors' belief that it is possible to provide substantial exposure to resource prospects by a well-financed total utilization of a small professional staff. It is the Directors' hope that present and potential shareholders will find this report of some interest.

HISTORY OF THE COMPANY

Founded under Federal charter in 1926, Merland first caught the public eye by bringing in an oil well in November of 1929 which proved to be the southernmost in Alberta's prolific pioneer Turner Valley field. This well promptly caught fire, and turned out to be non-commercial. In May, 1931, Merland brought in another well nearby from a depth of 5,550 feet with an average flow of 128 barrels per day. This well continued to produce a small revenue for the Company until it was sold to British American Oil Co. Limited in 1951 for \$12,000.

In 1951 the issued capital was increased from 970,346 shares to 1,500,000 shares, and a small interest was acquired in the Leduc-Kavanagh field of Alberta. In 1952 Merland reported ownership of interests in two oil wells in Leduc-Kavanagh and in two in the Nevis field. Issued shares rose to 2,600,000. By 1955 the Company had interests in eleven oil wells in Alberta and Saskatchewan and in a syndicate searching for uranium in the Marian River area of the Northwest Territories. Mr. Adams had become president and the issued capital had risen to 2,850,000 shares.

In this connection, the qualifications of two senior officials are of particular interest. John A. Cameron, the executive vice-president, joined Merland early in 1968 with a background of experience in resource industries and the investment business. For some years he was manager of the crude oil department of Husky Oil Canada Limited, moving to Regina in 1957 as general manager of Prairie Pipe Manufacturing Limited (IPSCO). Since 1962 he served as a partner and resident director of a Toronto-based firm of investment dealers in their offices in Jamaica, Montreal and Toronto. Mr. Cameron is presently executive vice-president of Eastern Business Management Limited, of Toronto.

Mr. John Phillipson, a graduate of McGill University, is the Company's consulting mining engineer and geologist. His early life was spent in Africa, Canada and Greece. He has fifteen years' field experience in many parts of the world from the Arctic Circle to the Equatorial rain forest as a mining engineer and exploration geologist, and is especially familiar with the problems and possibilities of the developing countries; he is also aware of and sympathetic with their aspirations and goals. He is fluent in French, German, Spanish, Portuguese, Greek, Kiswahili and Lingala.

PRESENT AND PROJECTED ACTIVITIES

Merland's field activities fall into two categories, those programs in Canada and those abroad.

Canada

(I) GASPE:

During the summer of 1969 three groups containing a total of 155 claims were staked by Merland and its equal partner Siscoe Mines in the mountainous central Gaspé region south of the presently producing Gaspé and Madeleine copper mines. These three claim groups, in Holland, Bonnacamp, Deslandes and Lesseps Townships, were picked as prime exploration targets on the basis of aerial and ground structural analysis.

Line-cutting and geochemical work has been completed, and the season's geophysical work should be finished by the first week in October. Results from the geochemical analysis to date (90% complete) have revealed the presence of nine copper anomalies, one copper-zinc anomaly and eight zinc anomalies, all of moderate intensity. The budget totals \$60,000 for this project, which is designed to evaluate the claims so that a decision may be made whether and where to drill in 1970.

Subsidiary to and less advanced than the above are two small projects at Lac St. Ignace and Lepage, southeast of Ste.-Anne-des-Monts and northwest of the main projects. Geochemical work has indicated the possible presence of copper and zinc values in the first project, while some copper sulphide mineralization is present in the second.

(II) KIPAWA:

Interesting uranium values have been reported from this area of western Quebec just east of Lake Temiskaming. Merland's consultants consider this area worthy of further examination, particularly in view of the recent find by the Sturdy-Talisman group.

(III) WOLLASTON LAKE:

The Merland-Siscoe team has two jointly-owned permits covering about 385,000 acres in the Wollaston Lake district of northeastern Saskatchewan. A five-man team has been working on these permits with a McPhar Radon Emanometer, an instrument used to detect the presence of radon gas in ground water, and hence of uranium. The \$60,000 budget, of which Merland's share is \$30,000, also allows for some base metal geochemistry together with prospecting and mapping. Work will be

followed when it was discovered that routine geochemical soil samples showed interesting nickel values running up to 4,580 ppm (parts per million), or slightly more than 0.45% nickel in the soil. Values of this magnitude indicate strongly the presence of an orebody of as yet unknown size.

Further work on this property has disclosed, both on surface as well as in diamond drill core, that the nickel mineralization is in the form of sulphides, principally of the material "millerite". Drilling, presently in progress, has been slowed down by the encounter of strong thrust-faults making progress and core recovery a problem.

The significance of this possible nickel discovery is that it would appear to occur as a sulphide associated with ultrabasic rocks, rather than in the lateritic or silicate form which is common in the tropics. Platinum metals occur with nickel sulphide, but not with the silicate. If nickel consumption follows the 1956/66 annual growth rate of 6.5%, total world demand should be about 600,000 tons by 1975. Production however could be from 725,000 tons to over 1,000,000 tons depending on how many laterite deposits are brought into production.

On the other hand, the platinum supply/demand picture is different. The curbing of air pollution is in the forefront of public policy today. Automobiles are largely responsible for air pollution. If government authorities, particularly in the United States, were to require the removal from gasoline of tetra-ethyl lead (one of the principal agents of pollution) platinum consumption could increase by over 500%.

To the North and East of Merland's Nickel prospect, Can-Tropic Explorations Limited holds an 85% interest in approximately 43 square miles of Exclusive Prospecting Licences where Copper mineralization has been discovered. Merland owns 25% of Can-Tropic's shares and has completed a modest drilling program at a cost of \$35,000 on E.P.L. 211. It is obvious that a large mineralized zone, both in length and width, is present but of relatively low values. A complete evaluation is underway to determine possible new targets. Teck Corporation and Cominco are also engaged in geochemical and drilling programs in Jamaica.

(II) GREECE:

Negotiations, which have been under way for most of this year, are expected to lead to the formation of a joint venture to explore for base metals and other valuable materials in that country. Many orebodies are suspected to exist; they are only awaiting examination and evaluation by modern methods and techniques. Merland will own 60% of this company, and a subsidiary of the Hellenic Industrial Development Bank, a government agency, will hold the other 40%. A meeting of the principals is taking place in Athens early in October. In this project Mr. Phillipson's knowledge of the Greek milieu and language is of great value to Merland.

(III) SPAIN:

Also planned for the near future is an investigation of old copper workings about fifty miles from Cordoba, in southern Spain. Copper has been mined in this area since the days of the Phoenicians. Indeed, the foundations of the worldwide Rio Tinto empire were laid near here over a hundred years ago. Patino is another company active here. An option can be obtained on these workings on advantageous terms.

(IV) KENYA AND TANZANIA:

Merland's management has established a useful rapport with the governments of these countries through frequent visits by Mr. Phillipson, whose main base of operations in recent years had been at

Subsequent to the rights issue, a condensed consolidated balance sheet as at July 31, reads as follows (in \$000's):

Marketable securities* (Market value as at Sept. 20, \$897,000)	\$	676
Other current assets		210
7½% first mortgage receivable		138
Other investments		192
Mining and oil properties and exploration expenses, less amounts written off		17
		<u>\$ 1,233</u>
Less: Accounts payable		<u>8</u>
Shareholders' equity —		
Capital stock issued — 4,065,000 shares **	1,851	
Less: Deficit	<u>626</u>	<u>\$ 1,225</u>

* Mostly Consolidated Morrison Mines Limited, Fort St. John Petroleum Limited and Siscoe Mines Limited.
 ** 5,000,000 authorized.

Thus, while Merland has not shown operating profits so far, ample liquid assets (including part of the proceeds of the recent rights issue) are available to finance its share of presently planned exploration work.

MANAGEMENT AND CONTROL

The President of the Company is Mr. R. John Adams, who owns or controls approximately 30% of the issued share capital. Siscoe Mines Limited, of which Mr. Adams is a director, is the second largest shareholder owning nearly 11% of the shares of Merland Oil. Mr. Adams is a well known Canadian hotelier who controls some fourteen Holiday Inns, operating in all provinces except Ontario. In addition he controls a number of private companies active in the hotel, real estate, construction and associated fields. Mr. Adams maintains his Head Office operations in Montreal with branch facilities in Toronto and Vancouver.

The Executive Vice-President and Secretary, Mr. John A. Cameron, and the consulting mining engineer and geologist, Mr. John Phillipson, were reported upon earlier in this review. Other directors of the Executive Committee include Mr. Donald R. Watt, Toronto Resident Director of Grant Johnston & Co. and President of G. W. Nicholson & Company, both members of the Toronto and Montreal Stock Exchanges, and Mr. George T. Smith, President of Siscoe and Camflo Mines, Vice-President of Northgate Explorations and Consolidated Morrison Mines and a director of numerous active mining companies. In addition, Messrs. W. O. Parlee, Q.C. of Edmonton, C. S. Robinson of Sidney, B.C. and M. J. Walton, C.A. of Vancouver, serve on Merland's board.

DEPARTMENT OF MINES
& NATURAL RESOURCES

NOV 12 1969

DIRECTOR OF MINES

A SPECIAL REPORT -

OCTOBER, 1969.

November 10, 1969.

J. S. Roper,
Director of Mines.

Mr. J. S. Richards,
Special Assistant to the
Assistant Deputy Minister.

Oil and Natural Gas Exploratory Permits - Hudson Bay Area - Part VI of the Regulations.

City Savings - Nos. 48, 50, 51, 52, 53,
54, 55, 56, 57.

Northwest Oils - Nos. 58, 62 (part), 64 (part),
66 and 68.

The above permits have been surrendered and in anticipation of further disposition we would like to know the proper procedure to follow.

1. According to Section 273 it appears that each of these permits must be gazetted showing whether they have expired or have been cancelled or surrendered.

2. Section 264 says that the minister may grant an oil and gas lease or permit or call tenders for lands that have been held under permit previously. In all subclauses of Section 264 reference is made to the "the minister may".

When Section 264 is compared with Section 237, it appears that only the minister may grant oil and gas leases, or permits, or call tenders where the land has previously been held under permit or lease.

It is suggested that surrendered, cancelled or expired permits be handled, insofar as possible, in the same manner as other oil and gas applications, reservations or leases (Section 202). The usual practice under Section 202 is to offer the cancelled rights by sale.

Please advise whether it is practical to reopen lands under Part VI by sale method and if so, what does the Gazette notice have to state in order that this may be done by the Director's office.

JSR/or


J. S. Roper.

c.c. to: Mr. Trevor Morgan,
Chief Mining Recorder.

J. S. Roper
XXXXXXXXXX

November 7, 1969.

Mr. John A. Cameron,
Executive Vice-President,
Merland Oil Company of Canada Limited,
Suite 500 - 360 Bay Street,
TORONTO 1, Ontario.

Dear Mr. Cameron:

You will recall that in your letter of September 17, 1969 you advised that a report of your exploration plans in the Hudson Bay area would be forthcoming by mid-October. We do not appear to have received this report, but would sincerely appreciate getting a copy.

You will also recall that in our earlier correspondence relative to the extension of your permits, you advised that a report was being prepared relative to the first period, in accordance with Section 251 of the Regulations. We have no record of receiving this report. Kindly advise when we may expect to receive this information.

Yours sincerely,



J. S. Roper,
Director of Mines.

JSR/or

c.c. to: Mr. Trevor Morgan,
Chief Mining Recorder.

*Report is Mr. Cameron's
letter of Nov 10/69
marked (1)*
*Information is in
Mr. Cameron's other letter
of Nov 10/69 + marked (2)*

J. S. Roper
XXXXXXXXXX

November 4, 1969.

Messrs. Peat, Marwick, Mitchell & Company,
Prudential Building,
King & Yonge Streets,
TORONTO, Ontario.

Dear Sirs:

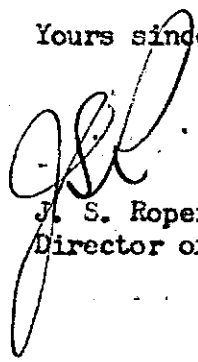
As requested by Merland Oil Company of Canada Limited, this will confirm that Merland have deposited, with our Department, the following Bonds:-

The Manitoba Telephone System, 8% Bonds, (Series 1K) due September 15, 1974.

1K 9013-14	2 x \$25,000	\$50,000
1K 7015-16-19-20-21	5 x \$ 5,000	25,000
1K 0597-98-99	3 x \$ 1,000	3,000
		<u>\$78,000</u>

These Bonds cover the deposits required covering work commitments on Exploratory Permits Nos. 59 to 65, inclusive, and No. 67.

Yours sincerely,


J. S. Roper,
Director of Mines.

M/or

c.c. to: Mr. Trevor Morgan,
Chief Mining Recorder.

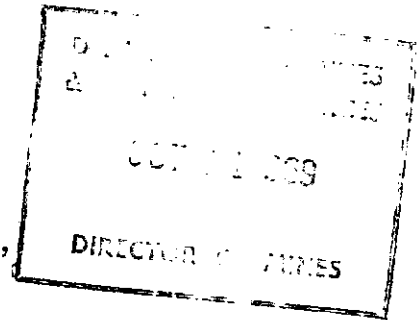
MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

October 30th, 1969

Mr. J. S. Roper,
Director of Mines,
Department of Mines & Natural Resources,
Mines Branch, Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Man.



Dear Mr. Roper,

Our auditors, Messrs. Peat, Marwick, Mitchell & Company, Prudential Building, King & Yonge Streets, Toronto, are conducting their usual examination of our accounts.

Would you be kind enough to confirm to them the fact that you are holding on our behalf:-


\$78,000 Manitoba Telephone System bonds at
8% due September 15th, 1974.

Would you also outline, precisely, the conditions under which the deposit, represented by this bond, may be returned to us.

Thank you for your co-operation and please forward your reply directly to our auditors in the envelope enclosed for your convenience.

Yours truly,

MERLAND OIL CO. OF CANADA LTD.


JOHN A. CAMERON
Executive Vice-President
and Secretary.

vj

October 20, 1969

Mr. F. L. Charne
460 Main Street
Winnipeg 2, Manitoba

Dear Sir:

Attached Province of Manitoba cheque T 13964 in the amount of \$3,761.65.

You deposited your cheque with the original application for Exploratory Permit Nos. 58 to 68 inclusive, to cover the balance required as a performance bond.

A cheque is being mailed to Northwest Oils Ltd. in the amount of \$15,713.17 and the amount of \$10,140.18 has been forfeited to the Crown.

Yours truly,

T. Morgan
Chief Mining Recorder

PT/oas
Encl.

cc: Herland Oil Company of Canada Limited
Suite 500 - 360 Bay Street
TORONTO 1, Ontario

REGISTERED

October 20, 1969

Northwest Oils Ltd.
c/o Mr. T. L. Charne
Barrister
460 Main Street
Winnipeg-2, Manitoba

Dear Sirs:

Attached Province of Manitoba cheque T 13969 in the amount of \$15,713.17. This covers portion of the original deposit covering Exploratory Permit Nos. 58 to 68 inclusive.

A cheque in the amount of \$3,761.65 is being returned to Mr. Charne. Mr. Charne submitted his cheque in this amount to cover the balance of original deposit on the above permits.

The amount of \$10,140.18 was forfeited to the Crown as the required work was not performed on Permit Nos. 58, 62, 64, 66 and 68.

Yours truly,

T. Morgan
Chief Mining Recorder

FT/cas
Encl.

REGISTERED

cc: Mr. T. L. Charne
460 Main Street
Winnipeg 2, Manitoba

cc: Merland Oil Company of Canada Limited
Suite 500 - 360 Bay Street
Toronto 1, Ontario

L89905

DEPARTMENT OF MINES & NATURAL RESOURCES
MANAGEMENT SERVICES BRANCH

SEP 29-69 ^{HINE}/_{BRES} 62749**10,140.18

REMITTANCE FORM



NAME Province of Manitoba

ADDRESS _____

ON ACCOUNT OF refund Guarantee Deposit
a/c Manitoba Oil Ltd.
CKT 13446

AMOUNT \$ 10 140.18

CASH CHEQUE MONEY ORDER

REVENUE CODE 3.27

kv.
FINANCIAL SERVICES DIVISION

Cash No. 6274

L 89905



PROVINCE OF MANITOBA

\$ 10,140.18

PROVINCE OF MANITOBA

Winnipeg, Sept. 29, 1969

Received from Province of Manitoba (Dept. of Mines)

Acct. of Northwest Oils Limited

460 Main Street, Winnipeg 2, Manitoba

the sum of ten thousand, one hundred and forty-----18Dollars

100

deposit forfeited - required work not performed on Exploratory Permit

No. 58.

PARTICULARS

[Handwritten signature]

THIS RECEIPT MUST BE USED ONLY FOR
MONEY RECEIVED
BY A REPRESENTATIVE OF THE PROVINCE

INTER - DEPARTMENTAL MEMORANDUM

FROM Chief Mining Recorder

SUBJECT Merland Oil Company of Canada Limited

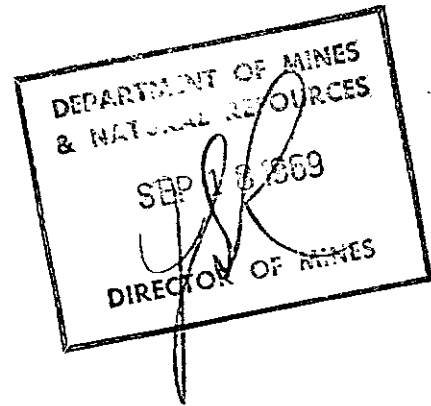


PROVINCE
OF
MANITOBA

DATE September 18, 1969

TO Chief of Financial Services

Attention: Ron Pozernick



With reference to memo dated September 17, 1969 and 8% bonds of The Manitoba Telephone System in the amount of \$78,000.00. This was to cover Exploratory Permits Nos. 59 to 65 inclusive and No. 67.

Would you kindly correct your records.

A handwritten signature in cursive script, appearing to read "T. Morgan".
T. Morgan

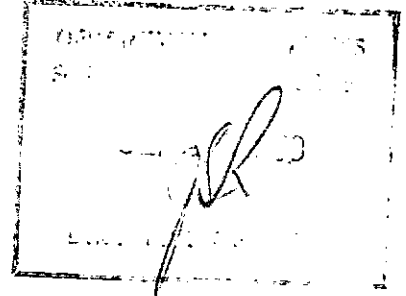
PT/sb
cc: Director of Mines

MERLAND OIL COMPANY OF CANADA LIMITED

SUITE 500
360 BAY STREET
TORONTO 1, ONTARIO

September 17th, 1969

Mr. J. S. Roper, Director of Mines,
Department of Mines & Natural Resources,
Mines Branch,
Director's Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Man.



Dear Mr. Roper,

Thank you for your letter of September 5th which explains perfectly the status of Northwest Oil Limited's Hudson Bay acreage. The Royal Bank of Canada has forwarded \$60,000 principal sum Manitoba Telephone System 8% Bonds to the Provincial Treasurer as a deposit against the altered permit numbers 59-65 and 67.

The Royal Bank has forwarded an additional \$18,000 principal sum of the same bond issue to be held as a deposit against the original deposit which now amounts to \$19,474.82. It was assumed that the total deposit of \$78,000 principal amount of bonds would permit the return of this deposit and it will be appreciated if you might make the necessary arrangements at your earliest convenience.

A report on our exploration plans, which will include a "slim" hole, will be forthcoming by mid-October. In the meantime this is an opportunity to thank you for your assistance and to suggest that you contact Mr. Charne if there are any problems connected with the Northwest Oil and Merland corporate relationship.

Yours sincerely,

MERLAND OIL COMPANY OF CANADA LIMITED,

John A. Cameron
JOHN A. CAMERON.
Executive Vice-President.

c.c. Mr. T. L. Charne.

JAC/vj

*Make copy for
T. Morgan
made &
forwarded
19.9.69.*

MINISC BR

September 17, 1969

Mr. F. W. Stewart
Chief of Financial Services
Mines & Natural Resources

Mr. Stuart Anderson
Deputy Minister of Finance
Attention Mr. B. Thornson.

MANITOBA TELEPHONE SYSTEM 8% BONDS - MERLAND OIL COMPANY

We are enclosing herewith the following described Manitoba Telephone System Bearer Bonds to be held for safe-keeping on account of Merland Oil Company to cover exploratory permits in the name of Northwest Oils Limited.

<u>SERIES</u>	<u>SERIAL NO'S</u>	<u>AMOUNT</u>	<u>INTEREST</u>	<u>MATURING</u>	<u>COUPONS ATT.</u>
1K	1K 9013-14	\$50,000	8%	Sept.15,1974	Mar.15,1970 SCA
1K	1K 7015-16	10,000	8%	Sept.15,1974	Mar.15,1970 SCA
1K	1K 7019-21	15,000	8%	Sept.15,1974	Mar.15,1970 SCA
1K	1K 0597-99	3,000	8%	Sept.15,1974	Mar.15,1970 SCA
		<u>\$78,000</u>			

These bonds will be released by you only on a request signed by either one of the following:

Mr. W. Winston Mair, Deputy Minister
and/or
Mr. F. W. Stewart, Chief of Financial Services.

Kindly acknowledge receipt by signing our copy of the memorandum.


F. W. Stewart
Chief of Financial Services

RP/jr
encs.

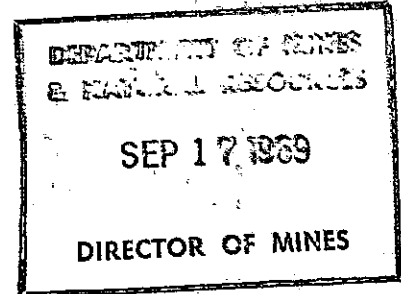
September 17, 1969

Chief Mining Recorder

Chief of Financial Services

Attention: Ron Posernick

Merland Oil Company of Canada Limited



Attached for safe keeping The Manitoba Telephone System, 8% Bond (Series 1 K) due Sept. 15, 1974. CPNS. due on Mar. 15, 1970 & S.C.A. attached.

\$ 78,000	- 2 x 25,000	#1K9013-14;
	5 x 5,000	#1K7015-16, 1K7019-21;
	3 x 1,000	#1K0597-99;

These bonds are deposited by Merland Oil Company Limited as the deposit required to cover Exploratory Permits Nos. 59 to 67 in the name of Northwest Oils Limited.

59 to 67

T. Morgan

PT/sb
Enc.

*Rec'd. T. Morgan
11:45 am Sept 18 1969
This was missed*

ADVICE

Letter Number S.K. 2770

THE ROYAL BANK OF CANADA
MAIN BRANCH
TORONTO 1, ONT.

SEP 16 1969

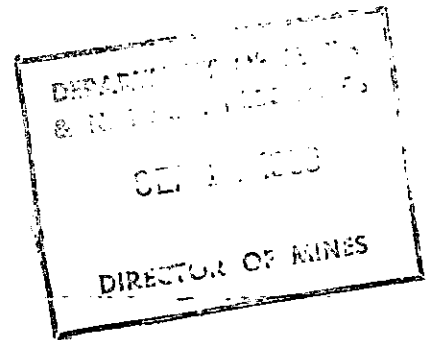
19

To Department of Mines and Natural Resources
Province of Manitoba,
Norquay Building,
WINNIPEG, MANITOBA.
ATTENTION : MR. J.S. ROPER.

We are today forwarding under separate registered cover for collection and credit the following items and/or securities:— disposal as indicated below

\$78,000.

THE MANITOBA TELEPHONE SYSTEM, 8% BOND (SERIES 1 K) DUE SEPT. 15/1974.
CPNS. DUE ON MAR. 15/1970 & S.C.A. ATTACHED.
2 x 25,000 #1K9013-14;
5 x 5,000 #1K7015-16, 1K7019-21;
3 x 1,000 #1K0597-99;
REG'D. BEARER.



Observe Special Instructions, if any, and those Marked "X" below

Special Instructions

- Collect and Remit Proceeds to us
- Wire Dishonour
- Deliver Documents On Payment Only
- Collect Interest at ___ % If Not Paid on Presentation
- Wire Payment

The above securities are forwarded to you
Re: Merland Oil Company of Canada Limited, as
per our wire J.C. SINCLAIR dated Sept. 15/69.

A Form of Acknowledgment is enclosed with the above items. Please complete and return it to us.

Ribbel

ACCOUNTANT

B. Glover

MANAGER

J. S. Roper
XXXXXXXXXX

September 5, 1969.

Mr. John A. Cameron,
Executive Vice President,
Merland Oil Company of Canada Limited,
Suite 500, 360 Bay Street,
TORONTO 1, Ontario.

Dear Mr. Cameron:

Re: Northwest Oils Limited -
Exploratory Permit Nos. 58 to 68.

We acknowledge receipt of your letter of August 15, which we understand is Northwest Oils Limited application to renew approximately two-thirds of the acreage contained in the above noted Exploratory Permits.

Much of what follows may be repetition of the discussion with you and Mr. Charne, however, it may help to clarify the situation.

Our computation of the acreage to be retained, and the deposit required, differs very slightly from your calculation, and is as follows:

<u>Permit No.</u>	<u>Acreage Retained</u>	<u>Deposit</u>
59	69,529	\$ 10,429.35
60	57,300	8,595.00
61	52,209	7,831.35
62 (E. $\frac{1}{2}$)	34,609.5	5,191.425
63	31,365	4,704.75
64 (E. $\frac{1}{2}$)	34,454	5,168.10
65	66,160	9,924.00
67	<u>43,870</u>	<u>6,580.50</u>
	<u>389,496.5</u>	<u>\$ 58,424.475</u>

As previously explained, Sections 247 and 248 of the regulations provide that the permits may be renewed by retention of the deposit not returned to the permittee and the submission of the deposit required for the renewal period. In this instance the amounts involved are \$19,474.82, of the deposit originally submitted, and \$58,424.47 in respect of the renewal period.

2--Mr. John A. Cameron,
Executive Vice President,
Merland Oil Company of Canada Limited.

September 5, 1969.

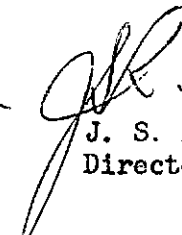
During the first eighteen-month period no allowable expenditure was established and consequently the original deposit posted in respect to the acreage dropped is forfeited to the Crown, in accordance with Section 248 (2). The amount forfeited is \$10,140.18.

The Royal Bank of Canada has confirmed that the Manitoba Telephone System bonds referred to in your letter will be assigned to the Provincial Treasurer and delivered on or about September 15, 1969.

Any part of the \$19,474.82 retained from the original deposit will be returned to you following receipt of approved interest bearing bonds; the interest coupons will be returned when due.

We note you are having a report prepared in accordance with Section 251 with respect to the first period and we will look forward to receiving the details of your exploratory well drilling program.

Yours sincerely,



J. S. Roper,
Director of Mines.

JSR/or

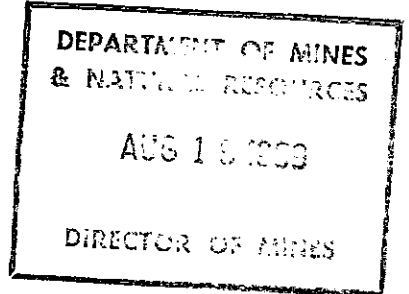
c. c. to: Mr. T. Morgan,
Chief Mining Recorder.



THE ROYAL BANK OF CANADA

MAIN BRANCH
TWENTY KING STREET WEST, TORONTO 1, ONT.

August 18, 1969



Department of Mines and Natural Resources
Province of Manitoba
Norquay Building
Winnipeg, Manitoba

Attention Mr. J.S. Roper

*Northwest Oil Ltd.
Re: Permits 58-68*

Dear Sirs:

Re Merland Oil Company of Canada Limited

We confirm as follows our telegraphic message of today's date:

"Merland Oil Company of Canada Limited have instructed us to deliver to your department \$60,000 Manitoba Telephone System 8% 1974 bonds to be held as renewal deposit against exploration permits. We hold confirmation from investment dealer covering purchase of said securities which are to be delivered to us against payment on or about September 15, 1969. Please confirm by return wire for attention J.C. Sinclair foregoing arrangement is satisfactory".

We understand a renewal deposit must be arranged by August 20th and that you have agreed to accept the securities described. As will be observed, these securities will not be available to us until September 15th although we wish to confirm the company have sufficient funds on deposit to cover the relative purchase. We trust this arrangement will be satisfactory in all respects.

Yours truly,

J.C. Sinclair
Assistant Manager

T.M.

Rec'd 2 p.m.
Aug 18/69

CN TELEGRAPH August 18/69

TORONTO Merland Oil Company of Canada Limited have instructed us to deliver to your department 60,000 Manitoba Telephone Systems 8% 1974 Bonds to be held at renewal deposit against exploration permits. We hold confirmation from investment dealer covering purchase of said security which are to be delivered to us against P.A. men on or abouts September 15, 1969. Please confirm by return wire for attention, J.C. Sinclair foregoing arrangement if satisfactory.

signed

ROYAL BANK,
TORONTO

Re: Please check with Accounts office to ensure that these bonds are acceptable as collateral.

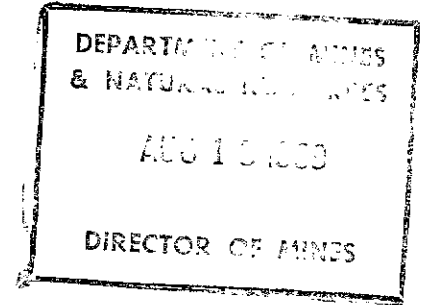
*J.S.L. Aug 18/69
2:15 p.m.*

MERLAND OIL COMPANY OF CANADA LIMITED

SUITE 500
360 BAY STREET
TORONTO 1, ONTARIO

August 15th, 1969

Mr. J. S. Roper, Director of Mines,
Department of Mines & Natural Resources,
Government of Manitoba,
Norquay Building,
WINNIPEG, MANITOBA.



Dear Mr. Roper,

Sec 247. ?
Northwest Oils Limited, a wholly owned subsidiary of Merland Oil Company of Canada Limited, is the registered holder of exploratory permit numbers 58 to 68, representing approximately 592,300 acres situated on the west bank of Hudson Bay. It is our intention to renew approximately two-thirds of the acreage, in accordance with section 247 of the Mines Act, which calls for a deposit of .15¢ for each acre included in the permit for a renewal period of thirty months following the first eighteen month period of the original term which expires on August 20th, 1969.

We have today purchased, through our brokers A. E. Ames & Company Limited, \$60,000 principal amount of 8% Manitoba Telephone, 1974 with instructions to deliver this through the Royal Bank of Canada to the Provincial Treasurer of Manitoba. As this is a new issue the certificates will not be available until September 15th but we have arranged that the Royal Bank of Canada in Winnipeg will contact you personally within the next few days and will present you with sufficient documentation to assure you of the delivery of the bonds as outlined above.

*Sec 248 ?
3(a) & (b)*
We are now in the process of designing a drilling programme beginning within the next six months, the weather being the determining factor, the results of which we shall communicate to you at the earliest possible opportunity. We would, therefore, like to hereby give prompt notice of our intention to spend at least \$90,000 on this drilling programme and request your approval for a credit of \$29,615 to be added to the new deposit of approximately \$60,000 mentioned earlier, as authorized by the Mines Act, Interpretation of Regulation, Deposits, Article 247 (3) (a) and (b).

With your approval we would hope that the most convenient method of reducing the acreage would be to drop the following exploratory permits:-

/Contd.....

Number	Acreage	Remarks	Acreage dropped
58	65,300	eliminate all	65,300 ✓
62	69,219	west half	34,609.5
64	68,908	west half	34,459 34454
66	34,298	eliminate all	34,298
68	34,142	eliminate all	34,142
			<u>202,808</u>
Present acreage	592,300		
Less acreage dropped	<u>202,808</u>		
	389,492	To be renewed at .15¢ per acre = \$58,413.80	
			58,413.80
Deposit - Manitoba Telephone Bonds	\$60,000	principal sum.	

It will be appreciated if you might advise us of the procedure required to replace the deposit of \$29,615 with interest bearing bonds so that we might earn some income during the next few months prior to drilling. I assume that there is an interest coupon clipping service available through your department.

In due course and in any event, within ninety days we shall submit a statement of expenditure, which has been nominal, for the period which has expired. The report will be prepared in accordance with Section 251 of the Mines Act. At the same time we shall outline the exploratory well drilling programme and name the contractor and technical staff. The exploration programme will be managed and directed by Mr. John Phillipson, our engineer/geologist consultant, who is a permanent member of the Merland staff.

This is an opportunity to thank you and your associates for a very pleasant and helpful meeting on Tuesday of this week. You may rest assured that we are committed to the drilling of a well on our permits as soon as weather permits and we will consult with you at every stage of the exercise.

Yours sincerely,

MERLAND OIL COMPANY OF CANADA LIMITED

John A. Cameron
JOHN A. CAMERON,
Executive Vice President.

File
No. 11. 2. 11

Aug 12/69

Northwest Oil's Ltd. letter dated Feb 6/68

Feasibility study re. geophysical program.

(Mid 1968)

Structure drilling program.

Deep test well drilling program.

If carried out - geophysical program during winter of 1968-69

Drilling will probably take place during winter season if warranted.

Est. cost of these programs \$100,000 - \$150,000.

Disc^m of Cameron, Ted Chann, J Richards, 5 Slaney.

Aug 12

11am - 12 noon

① Pointed out that we do not carry forward credits from 1st term to 2nd term on hand that was being dropped & upon which no work had been done.

② i.e. if they dropped this average from 600,000 to 400,000 ac. at this time they would profit 200,000 x 5% = \$10,000.

③ Pointed out that they must comply with 247, 248 (3), 251.

Mr Cameron wd go to Calgary & will firm up his program & have it deposited into us by Aug 18.

- They think they want to reduce average to 424,000 ac. Oppen listing attached.

Northwest Oil Co. Ltd.

Aug 14/69

Exploratory Permits

No.	Acceage	Issue Date	1st Term Due Date	2nd Term 30. No.	Want to drop
No. 58 - ✓	65,300	Feb 20/68	Aug 20/69	Aug 20/69 - Feb 20/70	All 65
59 -	69,529	Feb 20/68	✓		1/4 28
60 - ✓	57,300	Feb 20/68	✓		
61 - ✓	52,209	"	✓		
62 - ✓	69,214	Feb 20/68	✓		1/4 34
63 -	31,365	Feb 20/68	✓		
64 - ✓	68,908	Feb 20/68	✓		1/4 34
65 -	66,160	Feb 20/68	✓		
66 - ✓	34,298	Feb 20/68	✓		All 34
67 -	43,870	Feb 20/68	✓		
68 - ✓	34,142	Feb 20/68	✓		All 34

1st term (Feb 20/68 - Aug 20/69) 592,300 @ 5% ac = \$29,615.00

2nd term - 592,300 @ 15% ac = \$88,845.00

3/4
4
1969

Northwest Oil's Ltd

Aug 6/69

Read Mr Charne - 10am. Aug 6.

File Ex. 0146

Ex. 58 to 68

On site survey - Aquitaine, ALCO, City Savings Trust -
Hess? &

Fred Hume (TC Pipelines) (Banner Petroleum)

Broedgar, Intl. Sisco, Chevron -

Consortium - (John Cameron)

Merlin Oil Co. of Can. (Northwest Oil's Ltd)

(V.P. Michael Aviation (Charne))

Aug 12 - 11 a.m. appt.

- Read Mr Charne my notes of Aug 5th. see previous page. So he
knows what is involved if they retain the 600,000 ac. or if they
reduce to 400,000 ac.

Aug 5-6/69

Northwest Oil ~~Leases~~ Ltd. Exploration of N.G. Permits 58 to 68.

① - ~~Lease~~ 592,300 @ 5¢ = \$29,615.00

25853.35
3761.65
29615.00

- Taken out Feb 20/68 for 18 months - to Aug 20/69

- Work to the extent of \$29,615 must be carried out by Aug 20/69

- If permittee has been unable to make up production by Aug 20/69 he must give us notice of this. He must also post 15¢/acre work before the ^{1st} expiring date (Aug 20) and do 20¢/acre work ^{of acceptable} verified by satisfactory declaration before the expiration of the 2nd term i.e. before (Aug 20/69 - Aug 20/70 - Aug 20/71 - Feb 20/72)

Feb 20/72

i.e. he must post: 592,300 ac x 15¢/ac = \$88,845 before Aug 20/69

- If permittee wishes to retain 400,000 ac after Aug 20/69 (for 2nd term + 30 months - Aug 20/69 to Feb 20/72) he must ~~post~~ advise ~~us~~ in writing that he has not been able to carry out the work requirement during the 1st term (400,000 ac x 5¢/ac) = 20,000 and apply for a second term (30 mos) on the 400,000 ac. A deposit of 400,000 x 15¢/ac = 60,000 must be posted at the time of the application. The permittee must carry out an acceptable work program of 400,000 ac x 5¢ = 20,000 plus 400,000 x 15¢ = 60,000 or an 80,000 acceptable work program before Feb 20/72 in order to have his deposits (80,000) returned. - He will forfeit 200,000 x 5¢/ac = 10,000 of his original work deposit on Aug 20/69.

THADDEUS L. CHARNE, Q. C.

REGISTER, SOLICITOR, NOTARY PUBLIC • 460 MAIN STREET, WINNIPEG 2, MANITOBA, CANADA, AREA 204, TELEPHONE 942-3301

April 21, 1969.

Mr. T. Morgan,
Chief Mining Recorder,
Department of Mines and Natural Resources,
Mines Branch, Recording Division,
904 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

Dear Sir:

Re: Northwest Oils Ltd. and Exploratory
Permit Nos. 58 to 68 both inclusive.

I enclose herewith a photostatic copy of a letter dated the 24th ultimo from Mr. J. G. Macpherson, Assistant Manager of the Royal Bank of Canada, Main Branch, 220 Portage Avenue, Winnipeg 1, Manitoba, for your information. I would appreciate if you would forward a letter to Mr. Macpherson undertaking to forward the total amount of cash on deposit to the Royal Bank of Canada in receipt of its guarantee that should the company default in complying with the provisions of the said permits that the said bank will, upon written demand, make payment to the Provincial Treasurer.

Yours very truly,



Thaddeus L. Charne

TLC/bq
enc.

23 April 69
Phoned J. G. Macpherson, Royal Bank
and explained the refund of deposit and
he will contact T. L. Charne,





THE ROYAL BANK OF CANADA

MAIN BRANCH
220 PORTAGE AVENUE, BOX 6500, WINNIPEG 1, MAN.

Telephone 946-1670

March 24, 1969

6771

Thaddeus L. Charne, Esq. Q.C.,
Secretary,
Northwest Oils Ltd.,
460 Main Street,
Winnipeg 2, Manitoba.

Dear Mr. Charne:

With reference to your letter of February 27th, concerning the deposits held by the Department of Mines and Natural Resources for the issuance of Exploratory Permits, we note the Province will accept a letter of Guarantee from a chartered bank in lieu of a cash and/or Government or Provincial Bond deposit. Accordingly, we should like to receive a letter from the Department undertaking to forward the total amount of cash on deposit direct to us, on receipt of our Guarantee. We shall then place these funds in term deposit certificates and take a pledge of these instruments to support our undertaking. Additionally, we shall require a letter from Northwest Oils Ltd., along the lines of the draft copy attached, to indemnify the bank against any claims, which may ensue.

We trust the foregoing arrangement will be satisfactory and no doubt we shall be hearing further from you in the near future.

Yours very truly,

J. G. Macpherson,
Assistant Manager.

Encl:
/maj

February 23, 1968

Northwest Oils Ltd.
c/o Mr. T. L. Charne
460 Main Street
Winnipeg 2, Manitoba

Dear Sir:

Enclosed herewith Exploratory Permit Nos. 58 to 68 inclusive, issued under Part VI of the Regulations under "The Mines Act" for the disposal of Oil and Natural Gas Rights.

I would advise you that the Federal Government own the rights on a two mile strip of land on the north bank at the mouth of the Nelson River. This area is located within Exploratory Permits 58 and 60, and therefore is not included in the acreage of these two permits.

Also enclosed Official Receipt No. H 28161 in the amount of \$2,750.00 covering application fees, and Official Receipts H 28162 and H 28163 in the amount of \$25,853.35 and \$3,761.65 respectively, covering the cash deposit for the 11 Exploratory Permits.

Yours truly,

T. Morgan
Chief Mining Recorder

TM/oas
Encls.

THADDEUS L. CHARNE

REGISTER, SOLICITOR, NOTARY PUBLIC • 480 MAIN STREET, WINNIPEG 2, MANITOBA, CANADA, AREA 204, TELEPHONE 942-3301

February 19, 1968.

FEB 20-68 ^{MINE}RES 48133 ***2,750.00

OR-H 28161 (fees)

Mr. T. Morgan,
Chief Mining Recorder,
Department of Mines and Natural Resources,
Mines Branch,
Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

CKT 13969

R.R. A 2746

FEB 20-68 ^{MINE}RES 48143 ***25,853.35

OR-H. 28162

R.R. A 2741 - 10,140.18

CH 53

CKT 13446

FEB 20-68 ^{MINE}RES 48153 ***3,761.65

OR-H. 28163

R.R. A 2745

Dear Mr. Morgan:

Re: Northwest Oils Ltd.

In pursuance to your recent telephone call advising that the total acreage included in the 11 permits for which the above company has now applied is 592,300 acres rather than 517,067 acres, please find enclosed herewith my cheque in your favour for the sum of \$3761.65 to cover your fees for the additional acreage. I would appreciate if you would give instructions to prepare the permits immediately, and, as soon as they are ready, telephone me and I will arrange to attend at your office and secure delivery of same.

CKT 13964

In conclusion, I wish to thank you for all your courtesies in connection with this matter.

Yours sincerely,

Thaddeus L. Charne

*Balance of Deposit
received 10 AM 20 Feb 1968
TLC*

TLC/bq
enc.

By Cheques			
NORTHWEST OILS	25,853.35	} TOTAL DEPOSIT	11 x 250 - \$ 2750.00
T.L. CHARNE	3,761.65		29,615.00
	<u>29,615.00</u>		<u>32,365.00</u>

INTER-DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE February 13, 1968

FROM Mr. E. Gauer,

TO Mr. T. Morgan,

Director of Surveys.

Chief Mining Recorder.

SUBJECT Re: Oil Exploration Permits - Hudson Bay

Areas requested for grids bordering on Hudson Bay consisting of lands in name of Manitoba are as follows:

<u>GRID</u>	<u>LATITUDE</u>	<u>LONGITUDE</u>	<u>AREA</u>	<u>PERMIT</u>
1	57°00'	92°30'	part 65,300 acres	58
2	57°10'	92°15'	69,529 acres	59
3	57°10'	92°30'	part 57,300 acres	60
4	57°20'	92°15'	part 52,209 acres	61
5	57°20'	92°30'	69,219 acres	62
6	57°30'	92°15'	part 31,365 acres	63
7	57°30'	92°30'	68,908 acres	64
8	57°40'	92°30'	part 66,160 acres	65
9	57°40'	92°45'	E $\frac{1}{2}$ 34,298 acres	66
10	57°50'	92°30'	part 43,870 acres	67
11	57°50'	92°45'	E $\frac{1}{2}$ 34,142 acres.	68

E. Gauer

E. Gauer,
Director of Surveys.

JK/S

M. CHARNEZ
TEL. 9423301

460 MAIN STREET,
WINNIPEG 2 MAN.

February 8, 1968.

The Chief Mining Reporter,
Department of Mines and Natural Resources,
Mines Branch,
Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

Dear Sir:

Northwest Oils Ltd. hereby wish to make application for exploratory permits for lands as hereinafter mentioned and subject to the provisions of The Mines Act 1966. The following is a list of lands with the acreage total being estimated where the permit contains a portion of acreage defined by the low water line of Hudson Bay. The following lands will be designated by the co-ordinates of longitude and latitude for the north-east corner of the permit area and it shall be assumed that the permit area as defined by this method will include only those lands which are above the low water line:

				<u>Acreage</u>		
1.	57 degrees	00 minutes	25,000	estimated	65,300 ac	
	92 "	30 "				
2.	57 "	10 "	49,000	estimated	69,529 ac	
	92 "	15 "				
3.	57 "	10 "	50,500	estimated	57,300 ac	
	92 "	30 "				
4.	57 "	20 "	38,500	estimated	52,209 ac	
	92 "	15 "				
5.	57 "	20 "	69,219 ✓		69,219 ac	
	92 "	30 "				
6.	57 "	30 "	38,500	estimated	31,365 ac	
	92 "	15 "				
7.	57 "	30 "	68,908 ✓		68,908 ac	
	92 "	30 "				
8.	57 "	40 "	67,500	estimated	66,160 ac	
	92 "	30 "				

9.	57 degrees	40 minutes	34,298 ✓	
	92 "	45 "		
10.	57 "	50 "	41,500	43,870 estimated
	92 "	30 "		
				(vertical one-half grid)
11.	57 "	50 "	34,142 ✓	
	92 "	45 "		
				(vertical one-half grid)
Total -			<u>517,067</u>	

Northwest Oils Ltd. intends to persue a programe of exploration under professional guidance with the confirmed aim of drilling an exploratory deep test well to evaluate the entire hydrocarbon potential sedimentary section. With this view in mind, the programe will consist of a feasibility study of the terrain with a view to ascertaining the nature of a geophysical programe, structure drilling programe or a deep test well drilling programe. This will probably take place in mid 1968 and the geophysical programe if deemed advisable will be carried out in the winter season of 1968-1969. Drilling will probably take place during the winter season after the results of the technical analysis are able to be utilized. The estimated cost of these programes cannot be accurately made at this time due to the considerable variation in the various factors but an estimate would be in the area of \$100,000.00 - \$150,000.00.

Enclosed with above are cheques in the amount of \$28,603.35 to cover the \$250.00 fee for each of the afore-mentioned 11 permits, and, in addition, a 5¢ per acre deposit for the acreage included in these permits.

Trusting that our application will receive your kind consideration, we remain,

Yours very truly,

NORTHWEST OILS LTD.
per:

K. Takan
Treasurer

*Received
4.30 PM 8 March 1968
J.M.
The cheque held in Cibo Bank
sent to volume regional received. J.M.*

Balance received 20 Feb 1968 from

J. L. Charne. J.M.

3,761.65

January 17, 1969

Northwest Oils Ltd.
c/o Mr. T. L. Charne
460 Main Street
Winnipeg 2, Manitoba

Northwest Oils Ltd.

Dear Sir:

Re: Exploratory Permit Nos. 58 to 68 incl.

In reply to your letter of January 16th, I would advise you that this Department will accept Dominion of Canada or Provincial Bonds as deposits required for the above mentioned permits.

The total amount of cash on deposit is \$29,615.00, consisting of \$25,853.35 paid by Northwest Oils Ltd. and the balance of \$3,761.65 paid by yourself. If the deposit is replaced by Government Bonds, refunds will be made to the Company and yourself.

Yours truly,

T. Morgan
Chief Mining Recorder

TM/oas

THADDEUS L. CHARNE, Q.C.

REGISTER, SOLICITOR, NOTARY PUBLIC • 460 MAIN STREET, WINNIPEG 2, MANITOBA, CANADA, AREA 204, TELEPHONE 942-3301

January 16, 1969.

Mr. T. Morgan,
Mine Recorder,
Department of Mines and Natural Resources,
Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

Dear Mr. Morgan:

Re Northwest Oils Ltd.

In pursuance to the Exploratory Permits for Oil and Natural Gas Rights issued by your Department to the above Company covering 592,300 acres of land along the west shore of Hudson Bay in the vicinity of York Factory, I would appreciate being advised as to whether or not your Department will accept Federal, Provincial and/or Municipal Bonds in exchange for the cash deposit which you now hold herein. I am advised by the Directors of the above Company that it is the practice in some provinces to accept bonds rather than cash so that the Company making the deposit will secure an interest return on the monies held for this purpose.

I would appreciate your comments herein.

Yours very truly,



Thaddeus L. Charne

TLC/ag

FILE BACK COVER No. _____

FROM

TO

SUBJECT: -

Exploration Permits No. 58-68

General Correspondence

1

FILE BACK COVER No.

FROM

TO

[Redacted]

SUBJECT:--

Northwest Oil Co. Ltd.

Merland Exploration

Exploratory Permit 58-68

MICROFILMED

TO

HERE

June/1979.

INTER-DEPARTMENTAL MEMORANDUM

DATE... September 1, 1970.

FROM... A. J. Pakulak,



TO... Dr. K. H. Doan,

Research Biologist.

PROVINCE
OF
MANITOBA

Director of Research.

SUBJECT... Environmental damage caused by tracked vehicles in northern Manitoba.

While conducting Canada goose research in the Cape Churchill area this summer I photographed the damage caused by tracked vehicles. The Cape Churchill area is located on the Hudson Bay lowlands, approximately 32 miles east of Churchill, Manitoba. The climate of this area is distinctly subarctic while botanically it is characterized by tundra. The principal topographical features of the area are occasional eskers and many old beach ridges. The orientation of these old beach ridges coupled with the impervious layer of permafrost beneath, tend to impede drainage. Much of the area is interspersed with numerous lakes, pools and sluggish streams which wander across the lowland plain, often spilling from one bog muskeg to another and eventually draining into the Hudson Bay. The tundra ecosystem by scientific definition is an extremely fragile entity.

Hopefully, the pattern exploitation and development as taken in the Churchill area and surrounding terrain over the past thirty-six years will not be the one followed in the remaining portions of Manitoba's northern wilderness. Taverner and Sutton wrote in 1934, "Churchill was, and is, a busy, noisy place. Yet one has only to walk a few steps from the center of activity to find one's self in a primitive wilderness." By 1944 A. A. Allen (1945) noted important differences in the ecology of areas near the Churchill townsite. While by June, 1970 Jehl and Smith reported, "today, the 'center of activity' spreads from the thriving Churchill-Fort Churchill area to the rocket range, some 12 miles eastward. Nowhere is the presence of man undetectable. Refuse area, sand pits, and old ammunition dumps clutter the landscape. Even the tundra of the remote Cape Churchill area bears scars of battle with falling rockets, and is dissected by the trails of motorized vehicles."

Unfortunately in northern Manitoba there exists a very real "frontier spirit" which is deeply flavoured with irresponsibility and thoughtless damage to the natural resources. Immediate legislation is required in the form of establishing guidelines and regulations governing land use operations if the existing flora and fauna are to be maintained in a relatively undisturbed condition.

A. J. Pakulak
RESEARCH BIOLOGIST.

AJP/DB

c.c. J. S. Roper
F. S. Gamey ✓
C. G. van Zyll de Jong
M. J. Gobert

W. C. McLean
R. J. Robertson
W. W. Danyluk
D. E. Cline

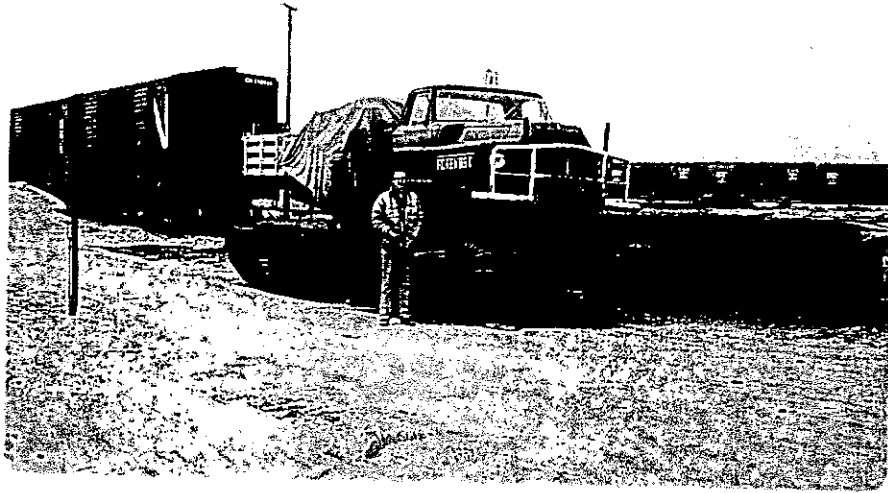


Figure 1. Tracked vehicle used to transport oil exploration equipment in northern Manitoba.



Figure 2. Relative track size of "FOREMOST" vehicle.

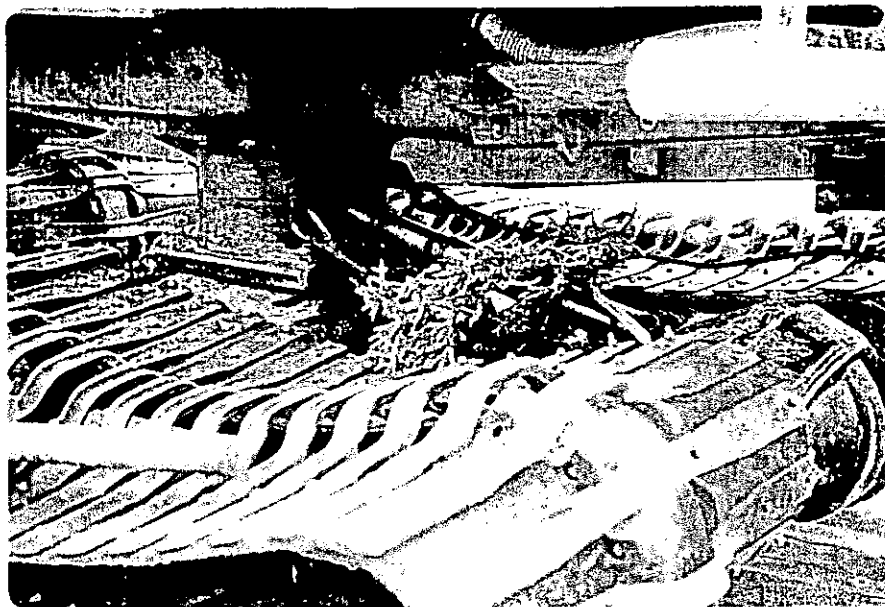


Figure 3. Close-up of undercarriage of tracked vehicle.
Note: Large spruce bow entangled around drive-
shaft.

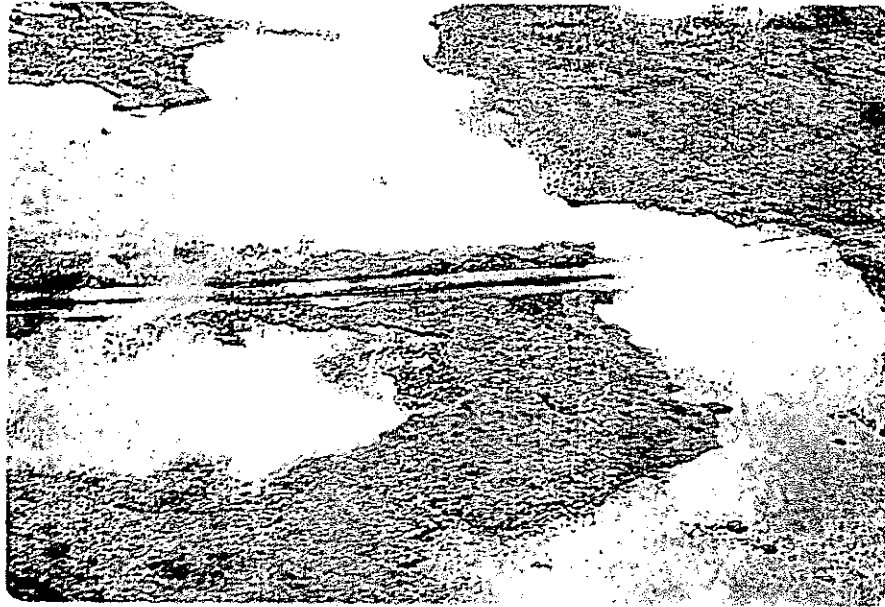


Figure 4. Single track left by a relatively empty "FOREMOST" vehicle as it crossed a tundra-pool on Cape Churchill.



Figure 5. Marks left by the convex portion of the "FOREMOST" tracks on an old beach ridge, Cape Churchill. Such damage leaves the terrain extremely vulnerable to wind and water erosion.



Figure 6. Much lighter military tracked vehicles (in comparison to the FOREMOST) left these tracks during manouvers on Cape Churchill in the mid 50's; the habitat damage they created is still obvious.



Figure 7. Tracks which are approximately fifteen years old are found on many of the old beach ridges in the Cape Churchill area.

- ③ Travel SE till they hit coast then down coast to Whitebear Creek. Estimate 120 miles, @ 8 mph = 15 hours.
- ④ Start return journey (Whitebear creek to Churchill) Friday Aug 7 or Sat Aug 8.
- ⑤ Estimate 2 trips if they get the trailer (Foremost 11 tons trailer 15 tons)
- ⑥ Plan to walk "cat" out if possible.

Extra items:

- Polar bears are moving in land.
- P.M. Oby counted 21 on their helicopter trip up coast.
- No concentration of bears.
- Aquitaine camp at White River had 3 polar bear visit camp ^{Monday}
- Bears just visited then carried on inland.
- Crew consists of Foremost driver plus 3 Midwest drilling men.

Other subjects

- P.M. Oby wanted to register transfer of some permits from Aquitaine to Merland - told him to write T. Morgan with details.
- Inquired about credits for project. Told him to finish project if they read in detailed statements with request and we would consider situation on its merits.

P.M. Oby - cd not get hotel room in Upp tonight so proceeding to Calgary - he will be contacting crew tomorrow night.

Reminder - Contact Bill M. Shaw in morning to see if there can accompany "independent"

Merland Oil - Permits 54-65, 67 file 1/2

Notes on

Telephone report from P.M. Oley - Epm. Aug 4/70 (W/F)

- ~~Thurs Aug 4~~ Sat. Aug 1 - Unloaded Foremost & loaded in. Had to travel 1/2 of 3 miles zigzag course to get 1 mile east.
- Sun Aug 2 - Got about 5 mi. E. of Larchidge & while pushing a stream nearly lost machine (water over 5' deep but fortunately it was narrow so I stepped on firm ground)
- P.M. Oley started to walk back to rail road to get helicopter
- Got helicopter Monday & flew out Foremost back to rail road
- P.M. Oley flew prop plane to Port Nelson & up coast - decided route ~~not~~ to coast not practical so proceeded to check coast up to Churchill
- Stopped at Aquitaine camp at Clark River (2 men & radio beacon) ^{for message}
- Continued up coast to Churchill - Route looks O.K. for Foremost
- Loaded Foremost on south bound freight & took it to Gillam
- Bruce Wolberg with Foremost on Sat & Sun Aug 1 & 2
- In Churchill - Mon - checked with Rocket Range officials - O.K. to travel down coast, rocket to be launched from Port officials will keep track of Foremost crew.
- Also checked with Army to see if they (Merland) could borrow a trailer to back behind Foremost - appears possible.
- Bruce Wolberg was in Churchill Mon. so proposed plan was discussed with him. He would like to accompany the expedition if he can get O.K. from The Pas.

- Plan - ① Ship Foremost Gillam to Churchill on CNR Wednesday Aug 5th.

② Unload Foremost in Churchill. Thurs Aug 6.

③ If O.K. with Rocket Range officials (rocket launching awaiting suitable weather) move out with Foremost & trailer

INTER-DEPARTMENTAL MEMORANDUM

FROM F. S. Gamey



PROVINCE
OF
MANITOBA

DATE July 17, 1970

TO

SUBJECT MEETING WITH PETER OLEY -

with Director - July 16, 1970

MERLAND OIL WHITE BEAR CREEK STH

WELL STATUS

Finished drilling July 12/70
T.D. - 1401' Electric log run

ABANDONMENT -

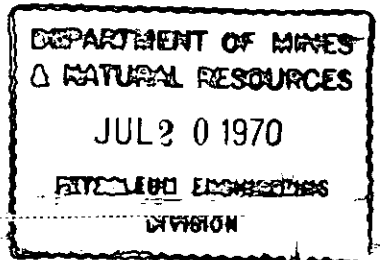
Cement to TD to surface - 55 sax
Casing cut off 4' below surface
5 sax cement placed on top
Rig released: 3.30 P.M.
Core flown out to Gillam - enroute CNR to Winnipeg
Crew flown to Winnipeg Tuesday night, July 14
Camp and equipment left on site

1. Unable to move equipment and camp to airstrip because of swampy conditions.
2. Oley to consider several possibilities, such as:
 1. Modifying caterpillar tractor with wide tracks suitable for travelling on swamp, to remove equipment to airstrip.
 2. Obtaining a big helicopter to lift equipment to airstrip.
 3. Possible use of Aquitaine's barge to remove equipment to Churchill. This would require helicopter lift of equipment to the barge.
 4. Use of helicopter to lift equipment to closest railway station On Hudson Bay Railway.
3. If plans for removing by air or barge do not materialize, it is planned to send in men to location and package up equipment, clean up campsite and burn campbuilding, etc.
4. 30 drums of gas would be cached at the airstrip if permission granted; otherwise it would have to be burned, the barrels flattened and buried.
5. It may be possible to remove equipment with Twin Otter to Gillam if airstrip dries up. 30 tons of equipment involved would necessitate many trips. Airstrip might not hold up.
6. If men are sent in to package equipment and clean up the camp, it would be advisable to have an inspector from the Branch approve the clean-up as it is being done.

7. Oley is to report by next week (July 24/70) as to what plan will be undertaken to remove the equipment and clean up site.

Oley wants to evaluate the magnetic survey plan with the company responsible (Aero Surveys) to find out the possible error in depth interpretation. He feels there is a good possibility they will put down a second test hole in 1971. He will have to discuss this with the Merland Company

Copy for FSG



INTER-DEPARTMENTAL MEMORANDUM



DATE July 17, 1970.

FROM Mr. J. S. Roper,
Director of Mines.

TO Memo to File.

PROVINCE OF MANITOBA

SUBJECT Merland White Bear Creek STH.

On July 16 Mr. Ted. Charne phoned at approximately 11 o'clock, and requested a discussion with me and Mr. P. M. Oley pertaining to the removal of equipment from the site of the above STH.

At 2 p.m., July 16, P. M. Oley, F. S. Gamey, and I had a two-hour session on the factors and logistics surrounding the abandonment of this site.

- July 14, cementing finished. Crew left camp with P. M. Oley, arriving Winnipeg late in the evening.
- Before leaving they finished plugging the hole. They used 60 sacks of cement in the hole and 5 sacks on top. Casing was cut off between 3 and 4 feet below ground.
- Camp and equipment were left in place pending decision on method of moving from the site.
- In addition to all the equipment, there are approximately 30 barrels of petroleum products which include regular gasoline, diesel oil, and a few 10-gallon drums of aviation fuel.
- Mr. Oley is investigating all means of removing the equipment, e.g.,
 - (a) via helicopter G 205A from drill site to C. N. Railway;
 - (b) via helicopter G 4 from drill site to railway;
 - (c) via helicopter G 205A or G 4 from drill site to barge lying off shore, thence by barge to Churchill and C. N. R. to destination;
 - (d) via tractor or swamp buggy to airstrip, then via twin auto to Gillam;
 - (e) preparation for removal of equipment followed by removal by tractor train during winter.
- Mr. Oley is also investigating the possibility of drilling another hole next year or some time thereafter.

INTER - DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE.....

FROM.....

TO.....

SUBJECT.....

2--Memo to File

- Mr. P. M. Oley is investigating the aeromagnetic data in an attempt to get an explanation for the encountering of precambrian rocks at a shallower depth than indicated in the prognosis (hit precambrian at 1298 feet and total depth is 1401 feet).
- Mr. P. M. Oley will investigate all the factors involved in removal of equipment, and then will endeavour to have a proposal for us by the end of next, or beginning of the following, week. He is hopeful of being able to arrive at an evacuation procedure that will enable him to fly in a crew, prepare the equipment for removal, abandon site as required by the Government in such a manner that, should there be a delay in the actual removal of the equipment, all that would be required at that time is removal.
- He has asked us to consider the possibility of leaving the petroleum products in there for possible future use. He indicates that the value of a drum is about \$25.00 and costs approximately \$100.00 to take the drum in or out. If necessary, the drums can be drained, contents burned, and the containers flattened and buried.

JSR:db

JUL 13 1970

Draft
McLaurid STH.

- Slow to ...
additions: calculations & etc.
gry.c*
- (1) Well - To be filled to surface with concrete.
- Surface casing cut off 3' below ground elevation.
 - ~~11-11-11~~" steel plate to be welded on to top of casing.
 - Drill set-up timbers to be removed.
 - Surface around drill site to be restored to as near normal as possible.
 - Tents and frames to be taken down, transported to airstrip and burned.
 - All other structures to be taken down, transported to airstrip and burned.
 - Camp area, water supply lines and surrounding terrain to be restored to as near normal as possible, and to the satisfaction of Department of Mines and Natural Resources representative.
 - Tractor, and other machinery, may be left near the airstrip on the understanding that it will be removed not later than May 1, 1971.

- Gasoline -

Polar Bear Hibernation

late Aug, Sept. Oct.

Remove equipment - late Nov. Dec. Jan.

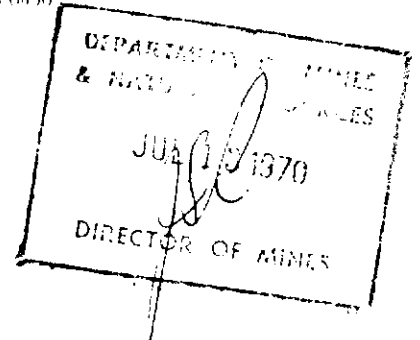
Avoid Feb. & March.

~~Application is hereby made for the above certificate to be examined~~

transair- MIDWEST

Winnipeg International Airport Winnipeg 21, Manitoba Telephone (204) 772-0381/ 683 0450

*ADM -
E.L.
P.C. copy to F.S.G.
d.R.K.*



July 9, 1970

Mr. J. S. Roper,
Director of Mines,
Department of Mines and Natural Resources,
Mines Branch,
901 Norquay Building,
401 York Avenue,
Winnipeg, Manitoba.

Dear Sir:

Thank you for your letter of June 29, 1970. Our Credit Manual has been amended to show the names of the following persons as authorized to sign for credit on behalf of your company:

- Mr. J. D. Russell
- Mr. R. G. Zahalan
- Mr. R. H. Glassford
- Mr. G. W. Hawe
- Mr. S. Gamey

If further changes are required, please let us know.

Yours very truly,

(Handwritten signature)
(Mrs.) D. Angus,
Credit Department.

July 7, 1970

F. S. Gamey
Reservoir Engineer

J. S. Roper
Director of Mines

MERLAND WHITE BEAR DRILLING

Phone call from Martin Menard - 10.40 A.M.

As far as can be ascertained, "B" casing has been run or is being run at 1,000'.

According to McLeod, Transair operator at Gillem, the geologist (Frank Blue) will be sending out reports in code from now on.

10:50 A.M.

Phone call from Pete Olley, Calgary, confirming yesterday's report that the hole was at 785'.

Olley is to report to us the depth of the hole, etc., when he receives the "decoded" report. He apparently had not received this morning's report as yet. He does not want reports going through Midwest personnel.

Regarding the core, he (Olley) will notify us when the core is being shipped out. It would be advisable for us to pick up this core at the airport and have Geology take it to Fort Osborne or where there is a suitable place to examine it.

It is likely that Olley will want to have a look at it before deciding on any analysis of core sections.

*P.S. Core storage at University core shack.
discussed with Hugh McCabe.
Can arrange for Olley to examine it
at any time after they receive it.*

Merland Structure Test Hole.

White Bear Creek,
Hudson Bay Area,
Lat. 57° 22' North
Long. 92° 27' West

Drilling Program and Safety Precautions

1. 300 feet of 'N' surface casing (3½" O.D.) will be set in bed rock and cemented back to surface. This is normal practice in all oil well drilling except that larger size casing is used.
2. A Rattigan blow-out preventer will then be installed to control any water, gas or oil, should same be encountered under pressure during the drilling. After the surface casing has been cemented in, and the blow-out preventer installed, drilling will proceed and the hole will be cored through the Palaeozoic formations and 50 feet into the Precambrian. The core size will be approximately 1 7/16".
3. Any water flows will be controlled by cementing or running a second string or casing.
4. The drilling rig will have a high pressure non-return valve installed between the water swivel and the hose to control any possible blow-back of water.
5. If any 'oil shows' are encountered the well must be shut in until storage facilities are made available for testing the oil.
6. The well cannot be produced. It is a structure test hole only and must be abandoned by running a cement plug from total depth to surface. This is to be witnessed by a Mines Branch representative.
7. After cement plugging of the hole has been completed the surface casing will be cut off 3 feet below surface and the drill site levelled and cleaned.
8. The drilling bond of \$5,000.00 will not be released until the abandonment has been inspected and approved by the Department.

GRADY. 10/7/70

BERLAND OIL COMPANY OF CANADA LIMITED

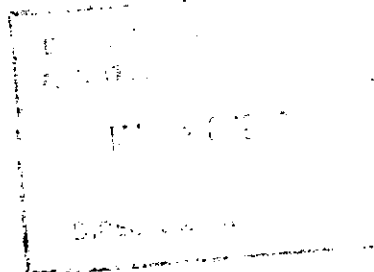
360 BAY STREET, TORONTO, CANADA
TEL. 363-2517

269-6852

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

May 15. 1970

Department of Mines & Natural Resources,
Mines Branch, Directors Office
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Man.



Attention: Mr. Gobert

Dear Sir:

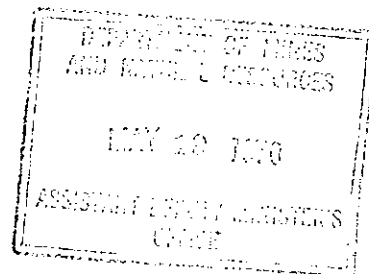
Re: WHITEBEAR CREEK STH #1

Enclosed herewith please find a copy of the letter from Midwest Drilling Company, explaining the well control equipment to be used on the Whitebear Creek well

Yours very truly,

P.M. Oley
P.M. Oley, Manager
Calgary Branch

cc: J Cameron



DEPT. OF MINES
100 KING STREET
WINNIPEG, MANITOBA

May 13, 1970

Mr. Martin Howard
Mills & Drilling Company
688 King Edward Street
Winnipeg 21, Manitoba

Dear Sir:

Re: Proposal of a Whitcomb CWA 227 21

I am sending you a copy of a schematic diagram showing the well control equipment we will require to drill the Whitcomb Creek well. All of the parts required have been ordered and will be delivered to your shop in Winnipeg sometime this month. The only two items which we have not ordered are:

- (a) The double pin sub to cross over from B casing thread to 3" line pipe thread.
- (b) The adaptor sub to change over from 2" line pipe thread to B casing thread so that we can use B casing as a bleed off line if necessary.

Please purchase or make up these two subs. You will also require a stabbing valve which can be screwed on to the top of the drill rod in case the well wants to blow out and I will leave this to you. Presumably you already have one.

The blow out preventer we have ordered is the Rotigon No. 21? shown on the attached sheet.

..... 2

W. J. Cameron
April 17, 1973

Enclosed are two sets of 212-12 rubbers which will be used for 1" rod. Please run these through your lathe to increase the size to fit a drill rod.

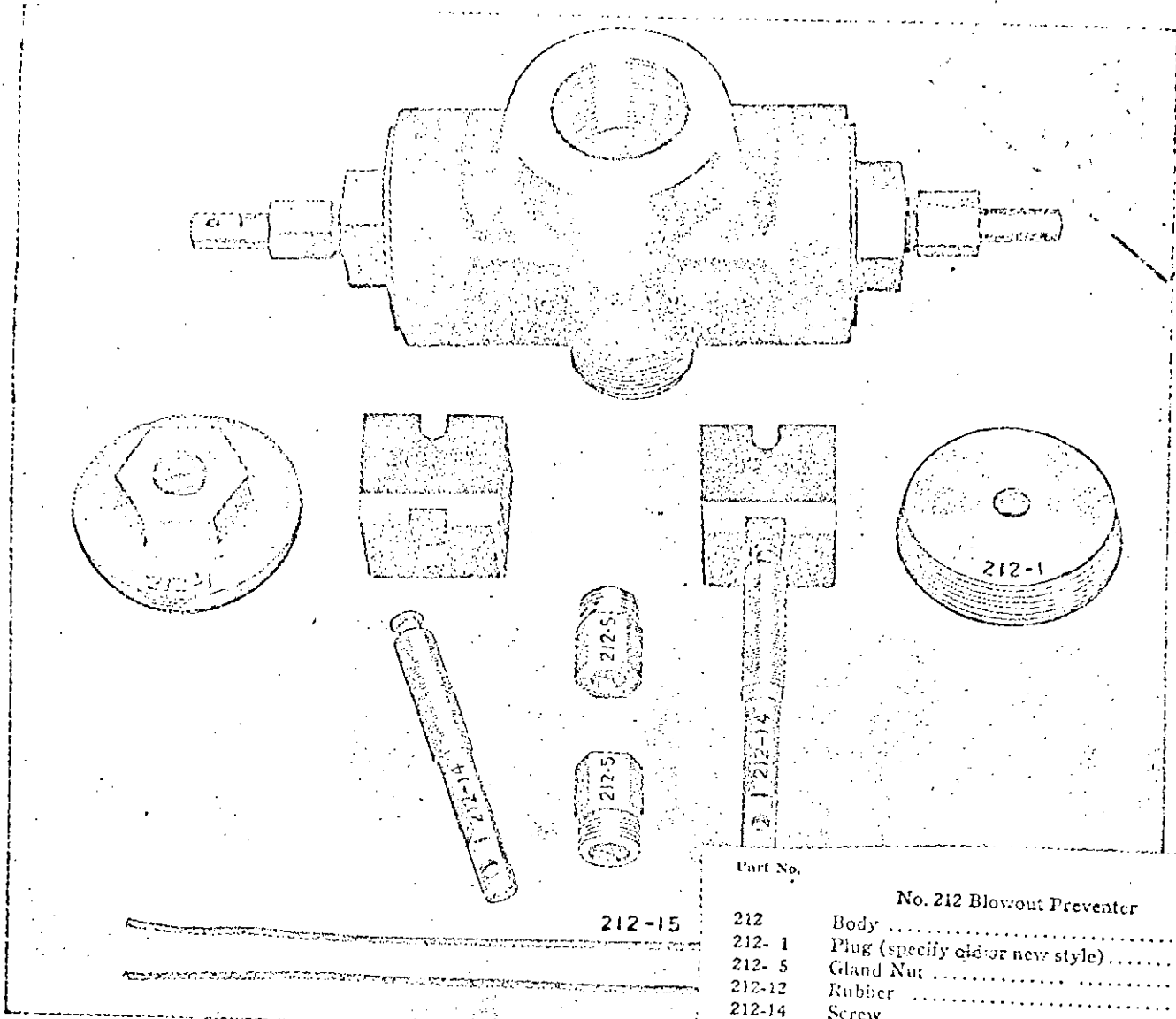
Let me know if you have any problems.

Yours very truly,

P. A. Olay, Manager
Calgary Branch

END:mjg

cc - P. Blac
J. Cameron



Part No.	Description	No. Req'd
212	Body	1
212- 1	Plug (specify old or new style)	2
212- 5	Gland Nut	2
212-12	Rubber	2
212-14	Screw	2
212-15	Screw Packing	2
212-16	Gasket (for old style plug)	2

RATIGAN NO. 212 BLOWOUT PREVENTER

Capacity, 3000 Lbs.

We have designed this blowout preventer for maximum safety and convenience in operation. Manufactured of high pressure electric steel, it is comparatively light in weight, of high capacity, and is equipped with retractable rubbers. The No. 212 is an ideal tool for swabbing or running rods in wells that head or flow in the course of operation. Two of these blowout preventers of the same size, with a nipple of any required length in between, make a very efficient unit for swabbing.

The rubbers are changed very quickly by unscrewing the plugs at each end and replacing the used

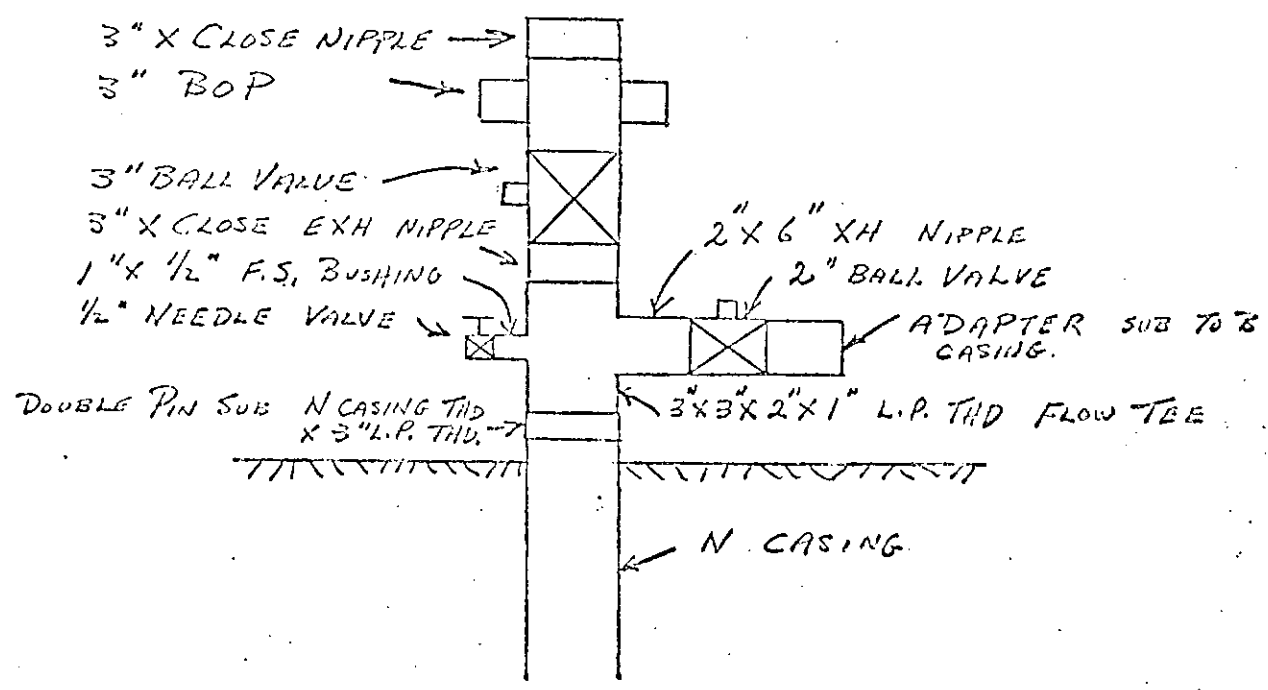
rubbers. Formerly, the rubber had a larger groove, but we made the groove smaller so that the No. 212-12 rubber would shut off on any sucker rod $\frac{5}{8}$ " to 1" inclusive and on any polish rod up to and including $1\frac{1}{2}$ " size. The same rubber will handle all these sizes, eliminating the necessity of changing the rubber to accommodate different sizes.

We manufacture the blowout preventer in 2", 2 $\frac{1}{2}$ " and 3" sizes. The 2" and 2 $\frac{1}{2}$ " sizes are supplied both plain and upset and can be furnished in male and female or double female. The 3" size is supplied male and female or double female.

100-100-100
 WHITE BEAR CREEK MINES

MERLAND EXPLORATIONS LIMITED

SCHEMATIC DIAGRAM OF WELL CONTROL EQUIPMENT
 FOR
 MERLAND ET AL WHITE BEAR CREEK STH#1



MAY 12/70
Amo



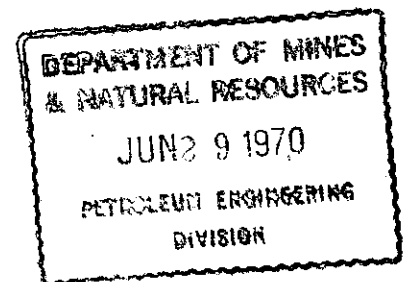
MANITOBA

DEPARTMENT OF MINES AND NATURAL RESOURCES
MINES BRANCH
DIRECTOR'S OFFICE
901 NORQUAY BUILDING,
401 YORK AVENUE, WINNIPEG 1

June 29th, 1970.

TransAir Limited,
Winnipeg International Airport,
Winnipeg 21, Manitoba.

Attention Mrs. D. Angus,
Credit Manager



Dear Mrs. Angus:

This is to update our arrangement with TransAir Limited dated February 22, 1966.

Individuals authorized to sign for credit are:

Mr. J. D. Russell
Mr. R. G. Zahalan
Mr. R. H. Glassford
Mr. G. W. Hawe
Mr. G. E. Johnson
Mr. S. Gamey

Terms: 30 days
Credit \$500.00

Invoices to be sent to:

Department of Mines & Natural Resources,
Mines Branch,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "J. S. Roper".
J. S. Roper,
Director of Mines.

/el

DATE 26 JUNE 70

FROM F. S. GAMBY.



TO J. S. Reper

PROVINCE
OF
MANITOBA

SUBJECT WHITE BEAR CREEK DRILL SITE

1. CONTACTED MARTIN MENARD AT 10:30 AM.
2. RADIO CONTACTS ^{to camp} OUT, possibly for the day.
3. TIMBERS landed at air strip on WEDNESDAY - PM
4. they should have set up if drill completed by to-day (Friday)
5. They should be down to bed rock by Monday.
6. MENARD will try and talk directly to the camp on SATURDAY morning from Midwest Aviation. I will call him at 10 AM at the Midwest Drilling office. If he cannot talk directly through Midwest Aviation he will try and get through by phone from Gillam.
7. He estimated the entire site (camp and drill set-up) covers an area about 200' x 400'.
8. The camp site (4 Bldgs) could be enclosed in an area approximately 150' x 50'. ~~and~~ three main tents ~~structures~~ in the campsite cover an area about 80 x 30'.

June 22, 1970

F. S. Gamey
Reservoir Engineer

J. S. Roper
Director of Mines

MERLAND WHITEBEAR CREEK STH

Phone call to MARTIN MENARD - Midwest Drilling - June 22/70

1. Campsite should have been completed by Saturday, June 20th.
2. The 900' airstrip is too soft for single engine planes to take off from. It will be necessary to use twin-engine Otter or fly by helicopter from Gillam.
3. Midwest Aviation are handling supplies and will take in more supplies, possibly in two weeks time, using twin-engine Otter.
4. The hole will likely be spudded by Wednesday, June 24/70.
5. Circulation of cement and 300' of casing will not likely be run till near the end of the month.
6. Menard has good radio contact with the camp now and will phone us as to progress.

BRUCE MOLBERG
C.O. AT GILLAM

MACDOUGALL - MIDWEST AVIATION
888 0450 - HELICOPTERS

INTER-DEPARTMENTAL MEMORANDUM

FROM

C. Lopez

PROVINCE
OF
MANITOBA

DATE

June 10/70

TO

Mr. Mair - (in Mr. Gebert's
absence)

SUBJECT

Application for license to Drill New Well

Merland Explorations Ltd.; West Shore of Hudson Bay.

We have prepared this license ~~with~~ on compressing to what we feel are the necessary technical requirements and including what an unskilled drill cover the conservation requirements (polar bears). We would appreciate it if you would peruse the attached copy and return with any additional observations or alterations. We expect the drilling report shortly and believe that once it has been received the process will be on us to issue the license.

p.c. M.D.G. J.

May 8, 1970

MERLAND STRUCTURE TEST HOLE - WHITE BEAR CREEK

CONTRACTOR

Midwest Drilling Company, 866 King Edward St., Winnipeg 12

PL > 775-7001 SAT.

Ph-786-1431

PERSONNEL

Dave Marshall - Division Mgr. (ph. 888-8137)

Armand Picard -

Martin Manard - Drilling Supervisor, Winnipeg office

Jim Dagg - Drill Foreman on site

PROGNOSIS OF PROPOSED DRILLING

1. 4 $\frac{1}{2}$ " "H" casing to bedrock.
2. 300' of "N" casing. Cement to surface. *3 1/2 co.*
3. Install Rattigan blow-out preventer.
4. Drill with NQ rods to 1000'. Run 1000' of casing "B" - 2 1/8" O.D.
5. Drill to T.D. "BQ" rods. Core size - 1 7/16"
6. Run E-logs.
7. Abandonment - cement plug to T.D. to surface.
8. Cut off casing 3' below surface.
9. To level and clean up site.
10. Estimated drilling time - 5 weeks.

DRILLING MUD

To be used in drilling to bedrock. Water to be used in remainder of drilling.

LOST CIRCULATION

WATER FLOWS

May be controlled by cementing or running second string of casing.

OIL SHOES

Test only. Shut in well until storage facilities for test oil available. Well is not to be produced.

MERLAND REPRESENTATIVE ON SITE - Frank Blue

COMMUNICATIONS

To be set up by Frank Blue

Radio hook-up with Midwest Airways likely through Gillam.

CAMP ACCOMMODATION

9 men maximum (Midwest crew - 7) (Merland - 1).

MISCELLANEOUS

Frank Blue to provide Rattigan blow-out preventer and gas masks.

Midwest to install non-return valve (high pressure) between water swivel and hose to control possible blow-back of water.

April 21, 1970

F. S. Gamey
Reservoir Engineer

J. S. Roper
Director of Mines

Drilling in polar bear habitat

White Bear Creek 57° 22', 92° 27'W

PROTECTION METHODS PROPOSED

1. Destruction of any animal to be carried out by a predator Control Officer only, or someone licensed and approved by the Game Warden at the campsite.
2. Garbage disposal to be made to pits only and covered by earth immediately. The location of the pit should be a minimum of 1/4 mile from the campsite.
3. The camp and drilling site should be protected by an electric fence, where possible. Barbed wire strung on steel posts would be suitable as a conductor, connected to direct current source.
4. Personnel shall be prohibited from hunting or destroying any wild life.
5. Personnel to remain in camp when not working at drillsite.

CHIEF GAME AND FUR AGENT

Bob Webb - 489-4541

LOCAL 261

air photo. LOCATION

PREDATOR CONTROL WILDLIFE
GORDON CAMPBELL - 7271

Apr. 24/70
Phoned -

P. M. Oley - Air Photo.
Survey
DRILLING REPORT BOOK
Sec. 225 (3)

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

MERLAND OIL COMPANY OF CANADA LIMITED

REPORTS

PROGRESS ON ITS HUDSON BAY WELL

Merland reports that a drilling rig under contract from Midwest Drilling of Winnipeg has successfully reached the drill site on the shore of Hudson Bay at the mouth of White Bear Creek 57° 22' N and 92° 27' W and will be stored there until about May 15th, 1970, at which time drilling will commence.

The rig, camp and supplies were moved in from the CNR point at Lawledge 75 miles to the location by Sigfusson Transportation "Cat Train".

The well is to be a 3,000 foot 'slimhole' basement test which will be completely cored using BX Mining Equipment. It is expected that the lower portion of the Devonian and a full section of Silurian and Ordovician will be penetrated with prospective horizons being in the Middle Silurian and the Ordovician.

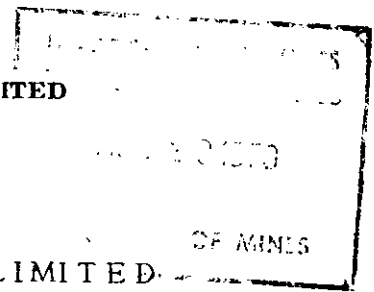
Wellsite supervision for the project will be provided by Mr. Frank Blue, P. Geol. Mr. Blue has had considerable experience with previous drilling operations in the Hudson Bay Basin.

The well will be drilled on a 389,407 acre block held by Northwest Oils Ltd., a wholly owned subsidiary of Merland. Merland has also acquired a 10% interest in 103,000 acres of off-setting offshore Pipawa Explorations Limited permits and has an option to acquire the remaining 90% within one year after the well is drilled. A further acquisition of 187,200 acres of offshore permits and 369,718 acres of Manitoba onshore permits has been made from Aquitaine, so that Merland will own or control approximately one million acres in the area, to support the well.

Ownership in the venture is as follows:-

Merland (Northwest Oils Ltd.)	59%
Adera Mining Limited	12%
Oro Mines Limited	12%
Pathfinder Uranium & Nickel Mines Limited	12%
Yukon Antimony Corporation Limited	5%
	<u>100%</u>

April 15th, 1970.



Place on Northwest Oil file Permit 59-65, 67

make sure that N.O.C. gets a copy of this tomorrow. 4/15/70

File - please

April 28, 1970

F. S. Gamey
Reservoir Engineer

M. J. Gobert
Assistant Deputy Minister

HUDSON BAY DRILLING by MERLAND OIL

PERMIT HOLDINGS

Northwest Oils Ltd., acquired, by permit, a block of ground totalling some 389,407 acres bordering the west shore of Hudson Bay, north of York Factory. The permits were issued in February 1968.

Northwest Oils Ltd., is a wholly owned subsidiary of Merland Oil Company of Canada Limited.

DRILLING LOCATION

Merland Oil Company has proposed to drill a structure test hole on the shoreline of Hudson Bay at a location approximately 57° 22' North Lat., and 92° 27' West Long., near White Bear Creek.

The drilling rig and supplies have been moved in to the location by winter tractor train.

DRILLING CONTRACTOR

Midwest Drilling of Winnipeg have been given the contract for drilling a "slim hole", using a BX-type diamond drilling machine capable of coring 3,000' in limestone.

REQUIREMENTS (casing and blowout preventer)

1. The Petroleum Division has requested that a minimum of 300' of "N" (3½") casing be available for use for running surface casing.

The company has informed us that 400' of "N" casing has been moved to the site.

2. The company is to install a blowout preventer before any coring commences.

The company has informed us that a RATTIGAN blowout preventer, with master valve and bleed-off line will be used. It has not been taken in to the site as yet, according to our information.

(coring and logging)

1. The test hole must be completely cored at not less than BQ size (1 7/16 core diameter)

2. The hole must be cored 50 feet into the Precambrian Formation.
3. An electric log must be run to total depth.
4. A complete longitudinal section of core must be supplied to the Mines Branch.
(The coring and logging program must be fulfilled before the core hole can be designated a deep exploratory test, for purpose of credits)

SUPERVISION

Mr. Frank Blue, P. Eng., is to be the supervisor in charge, at the wellsite, for the company.

Mr. P. M. Oley, manager of the company's Calgary branch, is responsible for the overall project.

LICENCE

No licence has been issued to date.

Mr. Oley is to meet with the Director of Mines on April 30th (tentative date) to discuss all phases of the drilling program, pollution control and protection methods to be enforced at the campsite relative to protection of wildlife (polar bears, caribou, etc.) and safety of drilling personnel.



INTER-DEPARTMENTAL MEMORANDUM



DATE May 8, 1970

FROM F.S. GAINLEY

TO

PROVINCE
OF
MANITOBA

SUBJECT MERLAND STRUCTURE TEST HOLE - WHITE BEAR CREEK

CONTRACTOR

Midwest Drilling Company, 866 King Edward St., Winnipeg 12 Ph 786-1431

PERSONNEL

Dave Marshall - Division Mgr. (ph. 888-8137)
Armand Picard -
Martin Manard - Drilling Supervisor, Winnipeg office
Jim Dagg - Drill Foreman on site

PROGNOSIS OF PROPOSED DRILLING

1. 4½" "H" casing to bedrock.
2. 300' of "N" casing. Cement to surface.
3. Install Rattigan blow-out preventer.
4. Drill with NQ rods to 1000'. Run 1000' of casing "B" - 2 1/8" O.D.
5. Drill to T.D. "BQ" rods. Core size - 1 7/16"
6. Run E-logs.
7. Abandonment - cement plug - T.D. to surface.
8. Cut off casing 3' below surface.
9. To level and clean up site.
10. Estimated drilling time - 5 weeks.

DRILLING MUD

To be used in drilling to bedrock. Water to be used in remainder of drilling.

LOST CIRCULATION

WATER FLOWS

May be controlled by cementing or running second string of casing.

OIL SHOWS

Test only. Shut in well until storage facilities for test oil available.
Well is not to be produced.

MERLAND REPRESENTATIVE ON SITE - Frank Blue

COMMUNICATIONS

To be set up by Frank Blue
Radio hook-up with Midwest Airways likely through Gillam.

CAMP ACCOMMODATION

9 men maximum (Midwest crew - 7) (Merland - 1).

MISCELLANEOUS

Frank Blue to provide Rattigan blow-out preventer and gas masks.
Midwest to install non-return valve (high pressure) between water swivel and hose to control possible blow-back of water.

A handwritten signature in cursive script, likely belonging to Frank Blue, located in the lower right quadrant of the page.

DEPARTMENT OF MINES
& NATURAL RESOURCES
MARCH 5 1970
PETROLEUM ENGINEERING
DIVISION

March 25, 1970.

Mr. P. M. Oley, Manager,
Calgary Branch,
Merland Oil Company of Canada
Limited,
1380 Guinness House,
CALGARY, Alberta.

Dear Mr. Oley:

Re: Permits 59, 60, 61, 62, 63, 64,
65 and 67

We acknowledge your letter of March 23 and your request for double credits for drilling a well at the mouth of White Bear Creek on the West shore of Hudson Bay.

Due to the various changes in information since your letter of November 26, 1969 we would appreciate receiving your revised location, drilling, operational, servicing and completion plans, as well as your revised prognosis in order that we may assess your request for double credits.

Prior to any work in the area you are required to contact the Administrative Officer, Churchill Research Range, Fort Churchill, Manitoba, re entering the Rocket Recovery Range and Mr. W. C. McLean, Regional Director North, Field Administration, Dept. of Mines and Natural Resources, Box 990, The Pas, Manitoba, regarding work permit requirements.

Yours sincerely,



J. S. Roper,
Director of Mines.

JSR/or

c.c. to: Mr. F. S. Gamey,
Reservoir Engineer.
Mr. W. C. McLean,
Regional Director North,
The Pas.



PROVINCE OF MANITOBA

J. S. Roper

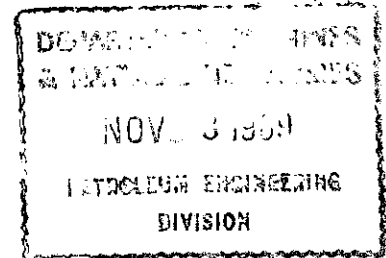
~~XXXXXXXXXX~~
DIRECTOR OF MINES

Whitehall 6-7428

DEPARTMENT OF MINES AND NATURAL RESOURCES
MINES BRANCH

DIRECTOR'S OFFICE
901 NORQUAY BUILDING,
401 YORK AVENUE, WINNIPEG 1

November 27, 1969.



Mr. P. M. Oley, P. Eng.,
Merland Oil Company of Canada Limited,
360 Bay Street,
TORONTO, Ontario.

Dear Mr. Oley:

Re: Exploratory Permits No. 59-65, inclusive
and No. 67 Northwest Oils Ltd.

Thank you for your letter of November 26th, setting forth your tentative plans for drilling a well on the above noted permits.

We will look forward to your proposed visit. Should you wish information with respect to operating regulations, please contact Mr. Stan Gamey of our Petroleum Division at 946 7161; or information regarding mineral recording please contact Mr. Trevor Morgan, our Chief Mining Recorder, at 946 7444, or the undersigned at any time.

Yours sincerely,

J. S. Roper,
Director of Mines.

JSR/or

p.c. to: Mr. S. Gamey,
Reservoir Engineer.

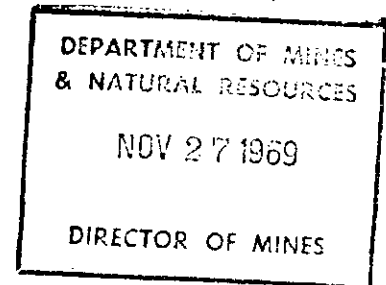
MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

November 26, 1969

Mr. J.S. Roper, Director of Mines,
Department of Mines & Natural Resources,
Mines Branch, Directors Office,
901 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.



Dear Mr. Roper:

Re: Northwest Oils Ltd./Merland Oil Company
of Canada Limited

I am writing you with regard to a preliminary program for drilling a well on Manitoba Exploratory Permits No. 59-65 and 67. I have recently been employed by Merland as manager of its Calgary Branch and Mr. J.A. Cameron has made me responsible to carry out this drilling project.

This well will be drilled in March or April 1970 to take advantage of the warmest and best flying weather possible and still be able to work on snow. It is expected that the location of the well will be near the mouth of either White Bear or Rupert Creeks depending on which is most favourable geologically. A reconnaissance trip into the area will also be required before equipment is sent in, to select the exact location which will be determined with regard to terrain suitable for erection of camp site, drillsite and clear airstrip for landing on skis as well as availability of a fresh water supply.

Since the well will be drilled near the shoreline, the estimated elevation is 30 feet above sea level.

.....2

Page 2
November 26, 1969

A tentative Geological prognosis is presented below, but it is emphasized that the Precambrian top could vary between 1,000 and 2500 feet because of a lack of geological control. Aeromagnetic work in the area shows several sharp anomalies and it is yet to be determined, how to locate the drill site in relation to these anomalies.

We anticipate drilling this test with a mining rig similar to that used to drill the Houston et al Comeault STH #1 well in 1968, and are presently working on the logistics of this operation with other operators and contractors who have had experience in this area. The most favourable method of mobilization at this time would seem to be by rail to Gillam and thence to the drill site by aircraft, probably skii equipped twin Otter or DC-3.

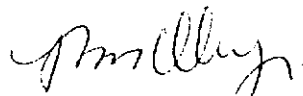
It is expected that N casing will be cemented in at a depth of 150 - 200 feet depending on the formations penetrated and the balance of the well will be cored with BQ equipment which will give a 1-7/16" core. An electric log will be run from casing shoe to T.D., when the Precambrian is reached. If the well is abandoned an abandonment program will be obtained from the Manitoba Mines Branch.

It is estimated that the total cost of this project will be \$80,000.

I expect to visit your offices sometime during the winter to get acquainted and also expect that much of the detail with regard to drilling will be ironed out by that time. For the time being however, it is hoped that the above tentative plan is acceptable to you.

Yours very truly,

MERLAND OIL COMPANY OF
CANADA LIMITED


P.M. Oley, P.Eng.

PMO:ls

PROGNOSIS

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Drift of Sand	0	+30
<u>SILURIAN</u>		
Attawapiskat*	30	0
Ekwan*		
Severn River		
Port Nelson		
<u>ORDOVICIAN</u>		
Red Head Rapids	830	-800
Churchill River*		
Bad Cache*		
<u>PRECAMBRIAN</u>	1400	-1370

*Expected porous zones.

NOTE- According to a seismic shotpoint at the mouth of Rupert Creek, basement could be as deep as 2343 at this point, which would mean that the above prognosis would have to be amended accordingly. The formation thicknesses used in the above prognosis are derived from the Houston et al Comeault STH #1, which lies about 80 miles Southeast of our proposed location, and other published data.

p.c. to: Mr. S. Gamey,
Reservoir Engineer.



Department of Energy, Mines and Resources
Ministère de l'Énergie, des Mines et des Ressources

Observatories Branch
Direction des Observatoires

File Number
No & rappeler 03-112

Ottawa 3, Ontario
December 1, 1969

Dr. H.R. McCabe,
Department of Mines and Natural Resources,
Mines Branch,
Geological Division,
900 Norquay Bldg.,
401 York Avenue,
Winnipeg 1, Manitoba

Dear Dr. McCabe:

This letter is further to the correspondence between yourself and Dr. Gibb of the Dominion Observatory concerning Dr. Maxant's proposed study of the western Canadian sedimentary basin. After reviewing replies from yourself and members of provincial agencies in Regina and Calgary, we feel that we should visit the various provincial agencies to discuss the proposed program. These discussions will serve to acquaint Dr. Maxant with you and your work, obtain your views on problems that geophysics might help solve and provide us with a firsthand look at the data available through your agency.

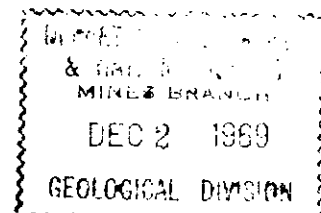
If agreeable to you Dr. Maxant and I propose to visit Winnipeg on December 8th and 9th. We hope to arrive in the afternoon of the 8th and leave at noon on the 9th. We would appreciate talking to you and any of your staff who you feel might be interested or can help with the program.

If the date of our proposed visit is not convenient please advise us.

Yours truly,

J.G. Tanner,
Acting Chief, Gravity Division,
Dominion Observatory.

JGT/svb



XXXXXXXXXX
XXXXXXXXXXXX

November 20, 1969.

Dr. Richard A. Gibb,
Department of Energy,
Mines and Resources,
Gravity Division,
Dominion Observatory,
Observatories Branch,
Ottawa, Ontario.

Dear Dr. Gibb:

Re: Your File No. 03-002

In reply to your letter of November 12, the following data are available:

- (i) Density logs - such as have been run, and after a 1 year confidential period for wildcat wells.
- (ii) Velocity logs - as above.
- (iii) Densities measured from chips and core - the only data available would be as reported in Core Analyses.
- (iv) Chips and core for density measurements - these are available on loan from the Mines Branch, but all core and chips would have to be returned.

Any of the above data can be supplied at cost of reproduction, but it would entail a very considerable search of the files to determine exactly what density and velocity logs and core analyses are available. I would suggest you first contact a commercial supplier of such data - for example, Riley's Data Share International Ltd., 631-8th Ave. S.W., Calgary, Alberta. They could probably supply you with a complete catalogue of all available logs and core analyses.

Yours very truly,

H. R. McCabe
Geologist

HRM/hf

Department of Energy, Mines and Resources
Ministère de l'Énergie, des Mines et des Ressources

Observatories Branch
Direction des Observatoires

File Number
No à rappeler 03-002

Ottawa, Ontario
November 12, 1969

Dr. J.E. Brindle,
Chief, Sedimentary Geology Division,
Department of Mineral Resources,
Regina,
Saskatchewan.

Dear Dr. Brindle:

Dr. J. Maxant, a Postdoctorate Fellow with the Gravity Division, Dominion Observatory, has just commenced a study of the gravity anomaly field of the Interior Plains region of Manitoba, Saskatchewan and Alberta. A study of sedimentary and basement rock densities will form an initial phase of his program.

We are interested in knowing whether and if so where, the following information from oil company drill holes in the area is freely available:

- mine at hand n.a.*
- ← (i) Density logs (interpreted?)
 - (ii) Velocity logs *(Some ")*
 - (iii) Densities measured from chips and core.
 - (iv) Chips and core for density measurements.
- } you would interpret*

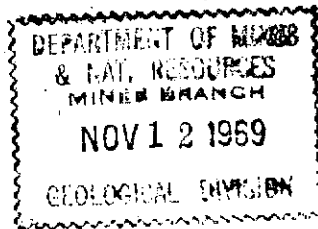
Perhaps you could let me know the costs involved in obtaining copies of logs etc. If this enquiry is misdirected, perhaps you could pass it on to the appropriate authorities.

Thank you for any help you can give on this matter.

Yours faithfully,

Richard A. Gibb

Richard A. Gibb,
Gravity Division,
Dominion Observatory.



RAG/svb

c.c. Chief Geologist,
Manitoba Dept. of Mines & Natural Resources, Winnipeg, Manitoba.
Chief Geologist,
Research Council of Alberta, Edmonton, Alberta.

PIX Petro Info. Exch 511 - 5th Ave SW. Calgary ph 2633822
Petro Well Data Library Ltd 303-627 5th Ave SW - Calgary ph 2691776

COPY

APR 15 1970
 PETROLEUM
 GENERAL SERVICES

April 15, 1970.

Mr. P. M. Oley, Manager,
 Calgary Branch,
 Merland Oil Company of
 Canada Limited,
 1380 Guinness House,
 Calgary, Alberta.

Dear Mr. Oley:

Re: Far North Exploratory Permits 59-65 and 67

On the basis of your submission of March 30, and as provided for under Section 253 of Regulations Under the Mines Act, we are prepared to designate the White Bear Creek core hole as an exploratory deep test well, provided the following conditions are fulfilled:

- i) the well must be completely cored at not less than BQ size.
- ii) the well must be cored 50 feet into Precambrian Basement.
- iii) an electric log must be run to total depth.
- iv) all procedures, precautions, etc. required under Part IV of the Regulations Under the Mines Act must be followed.
- v) any core sampling must be limited to longitudinal splitting, and a complete longitudinal section of core must be supplied to the Mines Branch.

It should also be noted that a detailed outline of costs must be submitted, and only those expenses directly related to drilling costs will be allowed for double credit.

Yours very truly,


 S. Roper,
 Director of Mines.

HRM/hf
 c.c.: Mr. S. Ganev ✓
 p.c.: Dr. H. R. McCabe

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

March 30, 1970

Department of Mines and Natural Resources
Mines Branch - Director's Office
901, 401 York Avenue
Winnipeg 1, Manitoba

Attention: Mr. J.S. Roper

Dear Sir:

Re: Hudson Bay Project

This is in answer to your letter requesting additional information on our plans for drilling a well at the mouth of White Bear Creek. The final choice of location was made due to the result of an aero magnetic interpretation by GAI-GMX (copy of map enclosed) which shows the depth of magnetic basement in the area to be in excess of 3000 feet. A maximum section of sediments will be penetrated at this point and there is a possible hydro-carbon trap as the magnetic basement rises sharply from the location to the North, East and South East. Structure to the West indicates a down dipping trend into the center of the basin. The exact location at the mouth of the creek is (57° 22' N, 92° 27' W) was chosen for suitability of terrain and for availability of water for drilling operations.

Plans are being made to move equipment into the drill site in April by cat train from Lawledge and to commence drilling in May. If possible an air strip will be cleared when the cat train is on location, and it is planned to use aircraft to service the well during drilling operations and to move the equipment out.

. 2

WELL
MERLAND FILE

Page Two
Department of Mines and Natural Resources
March 30, 1970

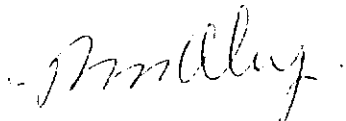
Our plans for drilling have not changed, that is, a mining rig will be used, N casing will be set and cemented 50 feet below the base of the drift and the balance of the hole will be cored with BQ equipment. An electric log will be run to T.D. upon completion of drilling. After logging the well will either be abandoned or transferred to the Federal Government Observatories Branch to run casing.

With regard to a geological prognosis, the only meaningful control available is the section penetrated in the Kaskattma well and we are using it as a guide and have presented it attached even though this well is over 100 miles away and is South of Moak Lake - Thompson Lake trend. Another difficulty with a prognosis is that it is not possible to determine the bed rock formation as there are no outcrops along the shoreline between Kaskattama and the Owl River to the North.

Merland's well will therefore be a very significant test, in that it will provide specific subsurface geology where even regional geology is theoretical, and it will be the first well to be drilled for oil and gas to the North of the Moak Lake - Thompson Lake trend.

I hope that the above information will be satisfactory to you.

Yours very truly,



P.M. Oley, Manager
Calgary Branch

PMO:mjw
enc.

cc - J. Cameron

PROGNOSIS

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Drift	0	+ 30
<u>Devonian</u>	100	- 70
<u>Silurian</u>		
Upper	500	- 470
Middle*	1200	- 1170
Lower	2000	- 1970
<u>Ordovician</u>		
Churchill River Group*	2300	- 2270
Bad Cache Rapids Group*	2800	- 2770
Precambrian	3100	- 3070

* Expected porous zones

March 20, 1970

Mr. J. S. Roper,
Director of Mines,

COPY

Mr. H. J. Gobert,
Assistant Deputy Minister.

Use and Abandonment of Holes Drilled for Oil and Natural Gas Information.

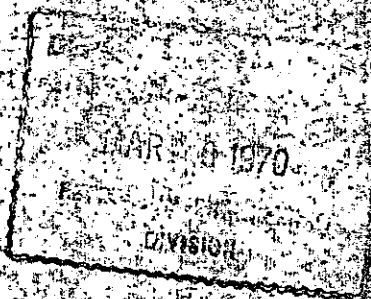
Is it permissible to allow another Governmental Agency (Dominion Observatory, Dept. of Energy, Mines and Resources) to utilize a diamond drill hole, drilled in Manitoba for oil and natural gas information purposes, to conduct temperature and other scientific recordings? The other Governmental Agency propose to record the information over several years.

The foregoing permission is requested with the provision that the responsibility for proper and continuing maintenance of the hole, as well as proper abandonment procedures, will be accepted by the Governmental Agency requesting same.

JSR:db

J. S. Roper,
J. S. Roper,

c. c. to: Mr. F. S. Gamey,
Reservoir Engineer.
Mr. T. Morgan,
Chief Mining Recorder.



MERLAND OIL

INTER - DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE March 19, 1970.

FROM Mr. J. S. Roper,
Director of Mines.

TO Mr. F. S. Gamey,
Reservoir Engineer.

SUBJECT Re: Northwest Oil Permits 59, 60, 61, 62,

Mr. T. Morgan,
Chief Mining Recorder.

63, 64, 65, 67.
(Merland Oil Co.) "Slim" hole east side of #61 or #63.

Further to Mr. Oley's recent visits re drilling a slim hole to fulfil the Company's permit requirements somewhere in the White Bear Creek area (on land as close to the Bay as practical), I had a phone call from a Mr. Jessop (Dominion Observatory, Dept. of Energy, Mines & Resources, Ottawa) today. The Observatory is interested (if the hole is to be abandoned, dry), in casing the hole, cementing casing at bottom, installing observation instrumentation, capping hole, recording observations over a 3- to 5-year period, then abandoning the hole according to our requirements.

Mr. Oley advised Mr. Jessop that if the hole is abandoned, dry, and the Observatory wanted to record observations for 3 - 5 years, Merland would want to be relieved of its responsibility to the Manitoba Government of abandoning the hole, and thus Merland would be able to recover their drilling deposit.

Mr. Jessop indicated they had conducted similar observation experiments in other wells in the N. W. T. and on Federal lands. Specifically he asked whether the Observatory would have to replace the drilling deposit if and when it is returned to Merland. My answer was that I thought not provided the Dominion Observatory promised us in writing that they would be responsible for the abandonment of the well according to our requirements when they completed their observations.

Mr. Jessop said that he had to have the casing ready to go in by tractor train in 10 days. I informed him that Mr. Gobert was away, and that my opinion could be overruled. He thought he would take that risk, contact Midwest Diamond Drilling, and order the casing to be delivered for the tractor train. He also suggested that he would have the Federal lawyers start working out agreements for Merland and ourselves. I told him that we would have our actions checked by our legal advisors.

On the assumption that we do receive approval to permit the Observatory to use and abandon the hole, if dry, I would appreciate having Stan. & Ted write out a sample of the Application to Drill, deposit return details, any maintenance requirements, and abandonment requirements in detail so that they may be checked by Mr. Moylan or our legal advisors. Any comments on these and other technicalities which should be taken care of on this matter will be appreciated.

JSR:db

P. S. Mr. Jessop's phone number is (613) 9945459 (Ottawa).

J. S. Roper.

Mr. M. J. Gobert,
Assistant Deputy Minister.

c. c. to:

License

FILE BACK COVER No.

FROM

TO

SUBJECT:--

*Merland Oil Company
of Canada Limited*

No. 2454

DEPARTMENT OF MINES AND NATURAL RESOURCES



PROVINCE OF MANITOBA

SUBJECT:

Merland and White Lake Creek

Prov 5TH #1

Merland Exploration Limited

25000.00 Merland Telephone System

2454

ADAM.

MINES BRANCH

MICROFILMED

TO

HERE

June/1979.

MANITISA

57° 22' N. LAT. 92° 27' W. LONG

LIC. APP. JUN 16/70
 REG. DR. AUG 30/71

FORMATION INFORMATION INFORMATION DATA

ERLAND EXPLORATION LTD	STR.	1401' PRECAMB	CO. DRG.	K.D. 29
ERLAND ET AL WHITEBEAR CREEK	PROJ.		LOGS	GA. 20
WY STN #1	LS.		100-1401'	
SPNS. JUN 26/70	37-283-B			
R/R JUL 14/70			PROJ.	
COMP.				
STATUS	D. S. A.	NET PAY		
FORMATION	TOP	SURFACE	TOP	PROG. L.

LIMESTONE

90

- 67

NO DRILL STEM TESTS RUN.

PRECAMB

1295

-1272

T. D.

1401

-1378

WELL COMPLETED.

LOSS 1E.
 EST. T.D.

CONTRACTOR MIDWEST DRLS.
 RIGHTS—

February 5, 1971.

Mr. P. M. Oley, P. Eng.,
Manager, Calgary Branch,
Merland Oil Company of Canada Limited,
1730 Elveden House,
Calgary, Alberta.

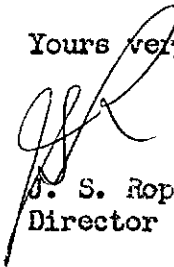
Dear Mr. Oley:

Re: ~~SE~~ Credits
Whitebear Creek Prov. STH #1

In reply to your letter of February 2 regarding the Doug McLeod invoice, we are willing to accept the invoice figure of \$490.70 as you requested. The additional credit for the above invoice and the previously submitted geophysical survey report is as follows:

Invoice - Doug McLeod Trucking	\$490.70
Add: 12 $\frac{1}{2}$ % overhead allowance	<u>61.34</u>
Total available for double credit	\$552.04
Double credit	<u>552.04</u>
Total	\$1104.08
Geophysical survey report (single credit, no overhead)	<u>\$1695.00</u>
Total credits established by this letter	\$2799.08
Previous credit balance - see letter of 25 January	\$39,340.15
Total credit balance available for future permit renewals	\$42,139.23

Yours very truly,


J. S. Roper,
Director of Mines.

JSR/hf
c.c.: Mr. John A. Cameron
Vice-President & Secretary
Northwest Oils Ltd.
360 Bay Street
Toronto 1, Ontario

INTER-DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE January 25, 1971

FROM Mr. J. S. Roper

TO Mr. T. Morgan

Director of Mines

Chief Mining Recorder

SUBJECT Northwest Oils Limited - Credits for Whitebear Creek Prov. STH #1

Credits established by Statutory Declaration dated Jan. 12, 1971 \$233,643.64

Credits previously used for Permit No. 20 5,488.80

Credits available \$228,154.84

Credits presently on T. Morgan's books \$ 8,511.20 ✓

Additional credits available to date by January 12, 1971
Statutory Declaration \$219,643.64 ✓

Total credits available as of January 25, 1971 \$228,154.84 ✓

Rental due January 26, 1971 - (28 to 35 incl.) \$110,915.40 ✓

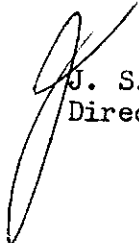
Rental due February 20, 1971 - (59-65 incl. and 67) 77,899.29 ✓

Total \$188,814.69 ✓

Credit available after application of above - \$228,154.84 - \$188,814.69 =

\$39,340.15 ✓

JSR/hf


J. S. Roper
Director of Mines

INT. DEPARTMENTAL MEMORANDUM



PROVINCE OF MANITOBA

DATE February 5, 1971.

FRC Mr. J. S. Roper

TO Mr. T. Morgan

Director of Mines

Chief Mining Recorder

SUBJECT Northwest Oils Ltd. - ~~For North Credit~~ *for Whitebear Creek Prov. STH #1*

The following additional credits are hereby approved relative to Northwest Oils Ltd. expenditures for drilling of the Whitebear Creek Prov. STH #1:

Doug McLeod Trucking (per letter of Mr. Oley, 2 Feb./71)	\$490.70
12½% overhead allowance	<u>61.34</u>
Total allowable for double credit	\$552.04
Double credit	<u>552.04</u>
Total	\$1104.08
Geophysical Survey Report (single credit, no overhead)	<u>\$1695.00</u>
Total credits, this submission	<u><u>\$2799.08</u></u>
Previous credit balance (our letter of January 25)	\$39,340.15
Total credit balance available for future permit renewals	\$42,139.23

JSR/hf

J. S. Roper
J. S. Roper
Director of Mines

CANCELLED
19th DAY OF Dec. 1971
Sec 273
Goy Sept 2/72

January 25, 1971.

Mr. John A. Cameron,
Vice-President & Secretary,
Northwest Oils Ltd.,
360 Bay Street,
Toronto 1, Ontario.

Dear Mr. Cameron:

Re: Credits - Whitebear Creek Prov. STH #1

We are in receipt of your letter of January 12 requesting credits in the amount of \$233,072.68 for expenses incurred in drilling the above-noted Whitebear Creek diamond drill hole. Examination of the Statutory Declaration and attached invoices has shown two items for which the requested credits cannot be allowed at present.

The amount of \$1695.00 requested for Survey Costs is not directly related to drilling costs and hence is not eligible for double credit. Furthermore, it represents work done under contract and therefore does not qualify for the 12 $\frac{1}{2}$ % overhead allowance. A single credit in the amount of \$1695.00 will be allowed when we are in receipt of an acceptable report. At present we have on file only a copy of the interpretive map. Mr. Oley has indicated that he will forward a copy of the required explanatory report.

One invoice in the Northwest Oils Expense Summary appears to be incorrect. The invoice from Doug MacLeod Trucking has been totalled incorrectly; the amount should be \$491.20 rather than \$490.70.

The following shows our calculation of the total expenditure credits presently allowed for drilling the Whitebear Creek test hole.

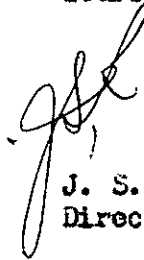
..... 2

Total expenditure requested by Statutory Declaration of 12 January	.....	\$106,027.32
Deduct: Invoice not presently acceptable and survey costs (\$490.70 + \$1695.00)		<u>- 2,185.70</u>
Total available for overhead allowance	.....	\$103,841.62
Add: 12 1/2% overhead allowance		<u>+ 12,980.20</u>
Total allowable for double credit	.....	\$116,821.82
Add:		<u>+116,821.82</u>
Total	.....	\$233,643.64
Deduct: Credit previously allowed on Sigfusson contract		<u>- 14,000.00</u>
Net credit allowed re January 12 submission	.....	\$219,643.64
Add: Credit balance previously established by our letter of 25 November, 1970		<u>+ 8,511.20</u>
Total credits established as of January 12 submission	.....	\$228,154.84
Deduct: Credits applied to renewal of permits 28-35 inclusive due January 26, 1971		<u>-\$110,915.40</u>
59-65 inclusive and 67 due February 20, 1971		<u>- 77,899.29</u>
Credit balance available for future permit renewals	.....	\$ 39,340.15

In your covering letter accompanying the Statutory Declaration, you had indicated a credit balance of \$38,769.18. We cannot reconcile this figure with your calculated balance of credit. We will await submission of a corrected invoice from Doug MacLeod Trucking as well as the disputed invoices to which you referred, and the report to accompany the geophysical survey maps.

With regard to the 12 $\frac{1}{2}$ % overhead allowance for far north exploratory work, our policy has been that such allowance is not made for work done under contract, since it is assumed that the overhead costs are included in the contractor's charge. There is some question as to whether or not the drilling costs charged by Midwest should be allowed for overhead credit. This was mentioned in our telephone conversation of January 20 with Mr. P. Oley. Although overhead allowance has been permitted for the present submission this is not to be considered a precedent and the Department reserves the right to consider each application for overhead allowance on its merit.

Yours very truly,



J. S. Roper,
Director of Mines.

JSR/hf

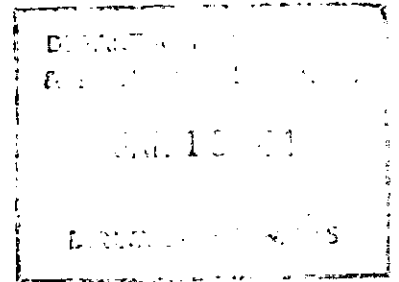
c.c. to: Mr. P. M. Oley,
Merland Explorations Limited,
1380 Guinness House,
Calgary, Alberta.

P.S. This will acknowledge receipt, on 25 January, 1971, of the requested report "Aeromagnetic Interpretation, Rupert Creek Area, Hudson Bay, Manitoba". This will be examined shortly and you will be advised if it is acceptable. Allocation of additional credits for this report will be made when we are in receipt of the final declaration of expenditures for drilling of the Whitebear Creek Prov. STH #1.

NORTHWEST OILS LTD.
360 Bay Street, Toronto 1, Ont.
Suite 500

Tel: 363 5815

Mr. J. S. Roper,
Director of Mines,
Department of Mines & Natural Resources,
Mines Branch, Director's Office,
904 Norquay Building,
401 York Avenue,
WINNIPEG 1, Manitoba.



Dear Mr. Roper,

Re: Credits Whitebear Creek STH #1

Herewith enclosed, please find the following:

1. A statement showing costs incurred in drilling the Whitebear Creek well plus supporting invoices.
2. A statutory declaration declaring that the expenditures were made.

The costs included herewith represent the total cost of drilling the Whitebear Creek well with the exception of two disputed invoices which total approximately \$4,000. These will be submitted for credits in due course after a settlement is made.

The Sigfusson invoice is included in the total cost as when it was sent to you in November - no claim for overhead charge or double credit was made.

We are therefore, applying for the following credits at this time:

Cost of Well	\$106,027.32
Add 12.1/2% for overhead	13,253.42 ✓
	<hr/>
TOTAL	\$119,280.74 ✓
	<hr/> <hr/>

The Company has complied with all of the provisions in your letter of April 15th, 1970 regarding double credits and it is, therefore, requested that the total credits to be allocated to the drilling of Whitebear Creek STH #1 be double the above amount, or \$238,561.48

Credit has been given for \$14,000 of the total amount as per Mr. Cameron's letter of November 13th, 1970, leaving a net total credit applied for by this letter of \$224,561.48

Out of the total credits applied for \$5,488.80 was applied to renew permit #20 leaving a balance of \$233,072.68 to be allocated.

Please allocate these remaining credits as follows:

Permit No.	Acres	Date Credits Due	Amount Credits Required	
			Per Acre	Total \$
28	39,860	26 Jan /71	30	11,958.00
29	28,400	26 Jan /71	30	8,520.00
30	69,529	26 Jan /71	30	20,858.70
31	69,529	26 Jan /71	30	20,858.70
32	68,234	26 Jan /71	30	20,470.20
33	43,346	26 Jan /71	30	13,003.80
34	45,040	26 Jan /71	30	13,512.00
35	5,780	26 Jan /71	30	<u>1,734.00</u>
Total Required for Aquitaine Permits				\$110,915.40
59	69,529		20	13,905.80
60	57,300		20	11,460.00
61	52,209		20	10,441.80
62	34,609.5		20	6,921.90 ↗
63	31,365		20	6,273.00
64	34,454		20	6,890.80
65	66,160		20	13,232.00
67	43,870		20	<u>8,774.00</u>
Total Required for Northwest Permits				\$ 77,899.30
Overall Total Credits				<u>\$188,814.70</u>
Credit Balance to be applied in future				<u>\$ 38,769.18</u>

The final drilling cost has considerably exceeded the value of bonds which Northwest has on deposit with the Manitoba Government and we would appreciate a return of these bonds as soon as you have reviewed the

well costs.

Yours sincerely,


JOHN A. CAMERON
Vice-President & Secretary

J. A. Cameron
Vice-President &
Secretary

NORTHWEST OILS LTD.
360 Bay Street, Toronto 1, Ont.
Suite 500

Tel: 363 5815

DECLARATION OF EXPENDITURE

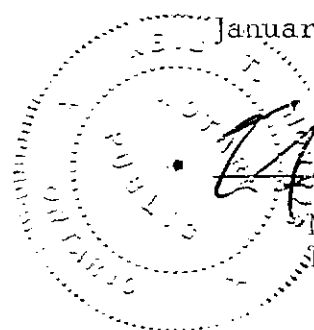
I, John A. Cameron, of the City of Toronto, in the Province
of Ontario, Vice-President and Secretary of Northwest Oils Ltd.,
MAKE OATH AND SAY:

That a total of \$106,027.32 was paid to contractors and
for direct project expense, air travel for equipment and
personnel, survey costs, freight and transportation, con-
sulting fees and direct expense for P. M. Oley, as detailed
in the Expense Summary submitted to the Department of
Mines and Natural Resources of the Government of Manitoba.

These costs were incurred in drilling the Whitebear Creek
Well during the summer of 1970.

Sworn before me at the City)
of Toronto, in the Province)
of Ontario, this 12th day of)
January, A.D. 1971.)

John A. Cameron

 *[Signature]*
Notary Public for the
Province of Ontario

NORTHWEST OILS LTD.

EXPENSE SUMMARY

Contractors Expense	\$59,690.12
Direct Project Expense	7,534.17
Air Travel - Equipment	10,454.80
Air Travel - Personnel	3,509.47
Survey Costs	1,695.00
Freight & Transportation	1,475.00
Consulting Fees	2,708.76
Direct Expense - P.M. Oley	4,960.00
	<hr/>
Total Accounted Expense	\$92,027.32
Previous Claim	
Sigfusson Transportation	14,000.00
	<hr/>
Total Expenditure	106,027.32
12.1/2% Overhead and Administration	13,253.42
	<hr/>
TOTAL CLAIM FOR CREDITS	<u><u>\$119,280.74</u></u>

6

NORTHWEST OILS LTD.

DIRECT PROJECT EXPENSES

Ace Explosives Ltd.	#6261	\$605.00
Ace Explosives Ltd.	6410	600.00
Ace Explosives Ltd.	6411	850.54
Sale of Coot		(1,500.00)
Armco National Supply Co.	#74625	445.77
Armco National Supply Co.	74629	100.27
Armco National Supply Co.	74710	132.82
Safety Supply Co.	#74247	110.00
Revelstoke Building Materials	#1278	259.36
Electronic Logging & Velocity Co. Ltd.		1,699.35
Finnie Hauling Contractors Ltd.		46.25
Empress Seaport Builders		37.50
Canadian Marconi		49.00
Canadian Marconi		171.50
Canadian Marconi		105.00
Canadian Marconi		30.00
Welders Supplies Ltd.		19.67
Foremost Developments	#6823	3,000.00
Foremost Developments	6899	281.44
Doug. MacLeod Trucking - Gillam, Man.		490.70

TOTAL DIRECT EXPENSES

\$7,534.17

51
6,597.70

NORTHWEST OILS LTD.

CONTRACTORS EXPENSE

May	14	Midwest Drilling Company	#70 463✓	\$4,429.74	12	
June	15	Midwest Drilling Company	70 497✓	1,154.00	13	
July	28	Midwest Drilling Company	70 613✓	13,099.19	11	
July	31	Midwest Drilling Company	70 645✓	14,749.72	}	
Aug	31	Midwest Drilling Company	70 693✓	21,099.67		
Aug	31	Midwest Drilling Company	70 791✓	357.80	} 41,007.12 P8.	
Dec	2/70	Storage Rental Credit		(9,600.00)		
Dec	2/70	Storage Rental Charge		13,900.00		
Dec	2/70	Final Demobilization Charge		3,000.00		
Dec	2/70	Storage Rental Credit		(1,500.00)		- no statement
Dec	2/70	Final Demobilization Credit		(1,000.00)		- " "
TOTAL CONTRACTORS EXPENSE					\$59,690.12	

NORTHWEST OILS LTD.

AIR TRAVEL PERSONNEL

April	17/70	Frank Blue	\$94.00
July	1/70	Frank Blue	94.00
July	20/70	Midwest Airlines Ltd.	80.57
July	31/70	Midwest Airlines Ltd.	314.00
July	31/70	Midwest Airlines Ltd.	92.00
Aug	24/70	P. M. Oley	195.00
July	29/70	R. Preston	186.00
Aug	13/70	P. M. Oley	214.00
Aug	31/70	Midwest Airlines Ltd.	1,540.00
Aug	31/70	Churchill Flying Club	72.00
Nov	6/70	P. M. Oley	156.00
Nov	24/70	Lambair	471.90

TOTAL AIR TRAVEL - PERONNEL

\$3,509.47

NORTHWEST OILS LTD.

FREIGHT & TRANSPORTATION

Canadian National Railway	\$1,338.24 ✓
Air Canada - Radio	24.80 ✓
Air Canada Equipment	30.78 ✓
Air Canada GEO Equipment	66.53 ✓
Air Canada Express	14.65 ✓

TOTAL

\$1,475.00 ✓

NORTHWEST OILS LTD.

CONSULTING FEES

Apr 27/70	J. F. Blue	\$514.47 ✓	trip to wgg. ?
July 21/70	J. F. Blue	<u>2,194.29</u>	well site
TOTAL CONSULTING FEES			<u><u>\$2,708.76</u></u>

NORTHWEST OILS LTD.

SUMMARY OF P.M. OLEY FIELD TIME

June	18 & 19/70		
	Supervise Rigup of Drilling Equipment	2 days	✓
July	13 - 15 inc.		
	Supervise Logging Operation	3 days	✓
July	30 - Aug. 5 inc.		
	Supervise Move Out	7 days	✓
Aug	13 - 28 inc.		
	Supervise Move Out	16 days	✓
Nov	6 - 8 inc.		
	Attempt Final Move Out	3 days	✓
		<hr/>	
	TOTAL FIELD TIME	31 days	✓
	31 Days @ \$160/Day	\$4,960.00	✓
		<hr/> <hr/>	

NORTHWEST OILS LTD.

SURVEY COSTS

GAI GMX #1648	\$1,600.00
GAI GMX 1659	80.00
Dept. of Energy, Mines & Resources #64908	6.00
Dept. of Energy, Mines & Resources #65203	9.00
	<hr/>
TOTAL SURVEY	\$1,695.00
	<hr/> <hr/>

NORTHWEST OILS LTD.

AIR TRAVEL EQUIPMENT

June	30/70	Midwest Airlines Ltd.	\$2,100.00
June	30/70	Midwest Airlines Ltd.	2,802.80
July	31/70	Midwest Airlines Ltd.	930.00
July	31/70	Midwest Airlines Ltd.	3,612.00
Aug	29/70	Norcanair	660.00
Sept	28/70	Lambair Ltd.	350.00

TOTAL AIR TRAVEL
EQUIPMENT

\$10,454.80



PROVINCE OF MANITOBA
DEPARTMENT OF
PROVINCIAL TREASURER
WINNIPEG

November 16 1940

Merland Exploration Ltd.
1380 Guinness House,
Calgary, Alberta

Dear Sir: Attention: Mr. P. M. Oley,

Re: release of bonds

We are enclosing herewith the following Debentures and/or coupons:

Description	Due Date	Series and Number	Amount	Remarks
Manitoba	Sept 15/74	1K 8 7/8		
Telephone System		7348	1 K 5000 ⁰⁰	Mar 15/91 450-A

Please receipt on the enclosed copy of this letter and return promptly to the Deputy Provincial Treasurer, Legislative Buildings, Winnipeg.

Yours very truly,

J. A. Appleyard
DEPUTY PROVINCIAL TREASURER,
for

Encs.

ABANDONED

STH

No 3883

November 12, 1970

Merland Explorations Limited
360 Bay Street,
Toronto, Canada

ATTENTION: N. S. Mathieson

Re: Merland et al Whitebear Creek
STH #1

Dear Sir:

We acknowledge receipt of your letter dated November 6, 1970, referring to a \$5,000.00, Manitoba Telephone System Bond - number 1K7348.

Instructions for the return of this Bond to, Merland Explorations Limited, 1380 Guinness House, Calgary, Attn: Mr. P.H. Oley, were forwarded to our Chief of Financial Services on October 23, 1970.

In view of the foregoing it is expected the bond should be forwarded in the near future.

Yours sincerely

J.S. Roper
Director of Mines

JSR/mc

cc: W.G. Head
Departmental Accountant

Reference our memo to F.W. Stewart (C. of F.S.)
dated October 23, 1970.

INTER - DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE October 5th, 1970

FROM W.C. McLean
Regional Director

TO J. Roper
Director of Mines

SUBJECT Oil exploration - Whitebear Creek

pk

The oil exploration camp and airstrip at Whitebear
Creek on the Hudson Bay Coast has been cleaned up to our
satisfaction.

*Trevor: Please initiate action to return drilling
equipment to company as requested in their letter of Sept 24/70*

W.C. McLean
REGIONAL DIRECTOR

WJM/cl

102-1440
211-2400

*1380 Guinness House
Calgary*

DEPARTMENT OF MINES
& NATURAL RESOURCES
OCT 7 1970
PETROLEUM ENGINEERING
DIVISION

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

1380 GUINNESS HOUSE

CALGARY, ALBERTA

TEL. 269-6852

September 3, 1970

Government of the Province of Manitoba
Department of Mines & Natural Resources
Mines Branch
Legislative Building
WINNIPEG 1, Manitoba



Attention: Mr. J.S. Roper

Dear Sir:

Re: Merland et al Whitebear Creek STH#1

This is to advise that the above location has now been cleaned up in accordance with the requirements of Manitoba Conservation Officers.

That is to say:

1. All drilling equipment has been removed from the wellsite.
2. All debris and garbage has been cleaned up and buried.
3. All pits have been filled in and levelled.
4. The complete wellsite has been levelled.
5. All timbers and lumber has been stacked on top of the derrick floor, and a pole erected to mark the spot.
6. The remaining fuel has been stock piled about 100 feet to the west of the lumber pile.

Mr. J.S. Roper
September 3, 1970
Page Two

-2-

Since the above conditions have all been fulfilled we hereby request that the \$5,000 drilling deposit held by your department now be refunded.

All of the equipment is now enroute to Winnipeg by rail with the exception of about 3 tons of miscellaneous equipment which is stock piled at the Whitebear airstrip awaiting an airplane to fly it out, and this will be done as soon as a proper aircraft is available.

I have taken a photo of the abandoned wellsite and would be pleased to send you a copy when the film is developed if you require it.

Yours very truly,

MERLAND EXPLORATIONS LIMITED



P.M. Oley, Manager
Calgary Branch

PMO:ls

cc: Merland Explorations Limited - Toronto

Attn: Mr. J. Cameron

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

CONFIDENTIAL

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

PROGRESS REPORT #3

Well: Merland et al Whitebear Creek STH #1

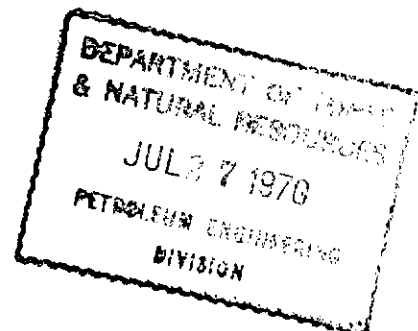
Date: July 23, 1970

FROM: P.M. Oley

Cored NQ to 1004' by July 6, 1970. Ran BX casing to bottom. Cored BQ to Precambrian top at 1300feet on July 10, and continued coring to total depth of 1401' on July 11. Pulled B-casing. Ran E Log on July 13, by Electronic Logging and Velocity Co. On July 14, ran continuous abandonment plug from surface to total depth, with 60 sacks cement plus 8% gel. Spotted 5 sacks neat cement in top of casing. Cut casing 4' below ground level.

Flew out core and crew on July 14. Equipment is presently awaiting transportation back to Winnipeg. A geological summary will be forwarded as soon as it is available.


P.M. Oley





MANITOBA

DEPARTMENT OF MINES AND NATURAL RESOURCES
MINES BRANCH

DIRECTOR'S OFFICE
901 NORQUAY BUILDING,
401 YORK AVENUE, WINNIPEG 1

June 17, 1970.

Thaddeus L. Charne, Q.C.
Barrister, Solicitor, Notary,
460 Main Street,
Winnipeg 2.

Dear Sir;

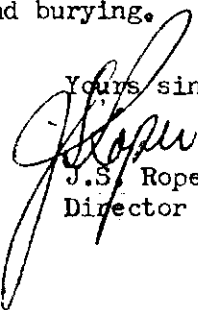
Re: Drilling License No. 2454
Application for License to Drill New Well
Merland et al Whitebear Creek Prov. STH#1

Further to your telephone report this afternoon advising that on the spot site examination this week showed no airstrip possibilities existed closer than 2 miles from where the drilling equipment was left by the tractor train. You stated that the drill and camp site was satisfactory but there was no way of traversing the terrain between the possible airstrip and the drill - camp site because of muskeg and high creek flows, nor was it possible to take the small tractor from the drill site to the airstrip. Therefore you requested permission to take in a swamp buggy to transport equipment, supplies and personnel between the airstrip and the drill site.

Under such extenuating circumstances we hereby grant permission for you to take in a swamp buggy to transport equipment, supplies and personnel between the airstrip and the drill - camp site. However it must be clearly understood that this swamp buggy is not to be used for any other purpose and must not be used in any other vicinity than between the airstrip and the drill site.

Due to the muskeg conditions existing close to the drill site permission is granted to transport garbage from the camp to the airstrip area for burning and burying.

Yours sincerely,


J.S. Roper,
Director of Mines.

JSR/gh

June 12, 1970

T. Morgan

Chief of Financial Services

Chief Mining Recorder

ATTENTION: Mr. R. Pozernick


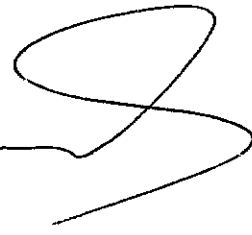
The Manitoba Telephone System Bond - Merland Explorations Limited.

Attached for safekeeping The Manitoba Telephone System
8% Bond due September 15, 1974 - No. 1K7348 in the amount of
\$5,000.00 with September 15, 1970 and SCA.

This bond was handed in by The Royal Bank of Canada,
Winnipeg, on behalf of Merland Explorations Limited, and is to
cover the drilling deposit for \$5,000.00.


T. Morgan
Chief Mining Recorder

TM/ms
Encl.

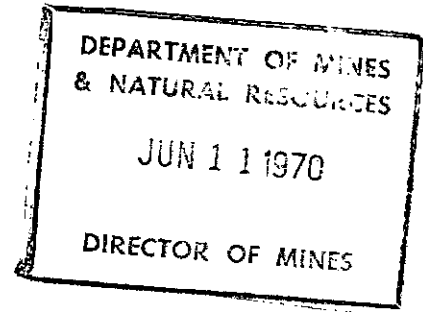
RECD JUNE 12/70





THE ROYAL BANK OF CANADA

MAIN BRANCH
TWENTY KING STREET WEST, TORONTO 105, ONT.

June 10, 1970



Department of Mines and Natural Resources
Province of Manitoba
Norquay Building
Winnipeg, Manitoba

Attention Mr. J.S. Roper

Dear Sir:

MERLAND EXPLORATIONS LIMITED - NORTHWEST OILS LTD.

Further to our letter of June 4th and our telegraphic message of the same date, concerning the drilling deposit to be lodged by the subject, we understand that our Main Branch in Winnipeg has delivered to you today a letter of undertaking covering the \$5,000 Manitoba Telephone Systems, 8% September 15, 1974 bonds which are to be held as a deposit against a drilling license granted to Northwest Oils Ltd. We have today forwarded this bond to our Winnipeg Branch by air express and in a matter of a day or two this bond will be delivered to you against your receipt and upon return of the letter of undertaking.

We also wish to confirm that the subject bond was purchased on behalf of Merland Explorations Limited at a price of \$99.50 and according to current quotations on this issue this bond is trading in the \$98/\$99.50 range.

We trust this will be satisfactory for your purposes.

Yours truly,

E.J. Desormo
Assistant Manager

c.c. Mr. J.A. Cameron, Executive Vice-President
Merland Explorations Limited

Mr. Thadius L. Charne
460 Main Street
Winnipeg 2, Manitoba



THE ROYAL BANK OF CANADA

MAIN BRANCH
220 PORTAGE AVENUE, BOX 6500, WINNIPEG 1, MAN.

Telephone 946-1670

June 10, 1970

DEPARTMENT OF MINES
& NATURAL RESOURCES
JUN 10 1970
DIRECTOR OF MINES

J.S. Roper, Esq.,
Department of Mines &
Natural Resources
Province of Manitoba
Room 901, Herquay Building
Winnipeg, Manitoba

Dear Sir:

This letter will serve as our undertaking to deliver to you \$5,000 Manitoba Telephone System 8 1/2% bonds due September 15, 1974 in bearer form for account of Merland Explorations Ltd., the parent company who are lodging the bonds on behalf of Northwest Oils Ltd., in support of a drilling license.

These bonds we understand are being dispatched by air express from Toronto today and we should appreciate receiving your acknowledgment of this letter by appropriately signing the enclosed copy.

Countersigned:

Yours truly,

H.D. Revell
pro-Manager

J.C. Tough
Manager, Securities

Enclosed copy signed

*"J.S. Roper
per D.B."*

*Received above letter
Royal Bank*

Pleasant

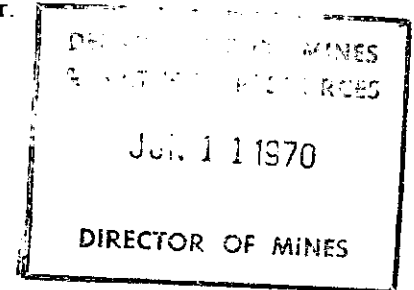
*Received the tough...
with the letter.*



THE ROYAL BANK OF CANADA

MAIN BRANCH
TWENTY KING STREET WEST, TORONTO 105, ONT.

June 4, 1970



Department of Mines and Natural Resources
Province of Manitoba
Norquay Building
Winnipeg, Manitoba

Attention Mr. J.S. Roper

Dear Sir:

MERLAND EXPLORATIONS LIMITED - NORTHWEST OILS LTD. *File 23/67*

We confirm as follows our telegraphic message of today's date:

"Merland Explorations Limited on behalf of their subsidiary Northwest Oils Ltd. have instructed us to deliver to you Five Thousand Dollars (\$5,000.00) Manitoba Telephone Systems, Eight Percent (8%) 1974 Bonds to be held as a deposit against a drilling license. We hold confirmation of the purchase order and delivery is expected to be made to us on or about June 8, 1970 at which time these bonds will be forwarded to you against your receipt."

Yours truly,

E.J. Desormo
Assistant Manager

c.c. Mr. J.A. Cameron, Executive Vice-President
Merland Explorations Limited

Mr. Thadius L. Charne
460 Main Street
Winnipeg 2, Manitoba

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

CONFIDENTIAL

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

PROGRESS REPORT #3


Well: Merland et al Whitebear Creek STH #1

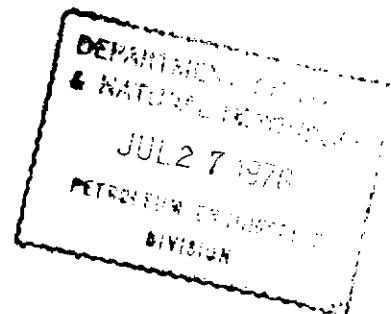
Date: July 23, 1970

FROM: P.M. Oley

Cored NQ to 1004' by July 6, 1970. Ran BX casing to bottom. Cored BQ to Precambrian top at 1300 feet on July 10, and continued coring to total depth of 1401' on July 11. Pulled B-casing. Ran E Log on July 13, by Electronic Logging and Velocity Co. On July 14, ran continuous abandonment plug from surface to total depth, with 60 sacks cement plus 8% gel. Spotted 5 sacks neat cement in top of casing. Cut casing 4' below ground level.

Flew out core and crew on July 14. Equipment is presently awaiting transportation back to Winnipeg. A geological summary will be forwarded as soon as it is available.


P.M. Oley



INTERNAL - DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE.....

FROM.....

TO.....

SUBJECT.....

2--Memo to File

- Mr. P. M. Oley is investigating the aeromagnetic data in an attempt to get an explanation for the encountering of pre-cambrian rocks at a shallower depth than indicated in the prognosis (hit precambrian at 1298 feet and total depth is 1401 feet).
- Mr. P. M. Oley will investigate all the factors involved in removal of equipment, and then will endeavour to have a proposal for us by the end of next, or beginning of the following, week. He is hopeful of being able to arrive at an evacuation procedure that will enable him to fly in a crew, prepare the equipment for removal, abandon site as required by the Government in such a manner that, should there be a delay in the actual removal of the equipment, all that would be required at that time is removal.
- He has asked us to consider the possibility of leaving the petroleum products in there for possible future use. He indicates that the value of a drum is about \$25.00 and costs approximately \$100.00 to take the drum in or out. If necessary, the drums can be drained, contents burned, and the containers flattened and buried.

JSR:db

P.C. FSG

INTERNAL DEPARTMENTAL MEMORANDUM



PROVINCE
OF
MANITOBA

DATE July 17, 1970.

FROM Mr. J. S. Roper,
Director of Mines.

TO Memo to File.

SUBJECT Merland White Bear Creek STH.

On July 16 Mr. Ted. Charne phoned at approximately 11 o'clock, and requested a discussion with me and Mr. P. M. Oley pertaining to the removal of equipment from the site of the above STH.

At 2 p.m., July 16, P. M. Oley, F. S. Gamey, and I had a two-hour session on the factors and logistics surrounding the abandonment of this site.

- July 14, cementing finished. Crew left camp with P. M. Oley, arriving Winnipeg late in the evening.
- Before leaving they finished plugging the hole. They used 60 sacks of cement in the hole and 5 sacks on top. Casing was cut off between 3 and 4 feet below ground.
- Camp and equipment were left in place pending decision on method of moving from the site.
- In addition to all the equipment, there are approximately 30 barrels of petroleum products which include regular gasoline, diesel oil, and a few 10-gallon drums of aviation fuel.
- Mr. Oley is investigating all means of removing the equipment, e.g.,
 - (a) via helicopter G 205A from drill site to C. N. Railway;
 - (b) via helicopter G 4 from drill site to railway;
 - (c) via helicopter G 205A or G 4 from drill site to barge lying off shore, thence by barge to Churchill and C. N. R. to destination;
 - (d) via tractor or swamp buggy to airstrip, then via twin auto to Gillam;
 - (e) preparation for removal of equipment followed by removal by tractor train during winter.
- Mr. Oley is also investigating the possibility of drilling another hole next year or some time thereafter.

JUL 15 1970

- (1) Well - To be filled to surface with concrete.
- Surface casing cut off 3' below ground elevation.
 - ~~1/2" x 1/2"~~ 1" steel plate to be welded on to top of casing.
 - Drill set-up timbers to be removed.
 - Surface around drill site to be restored to as near normal as possible.
 - Tents and frames to be taken down, transported to airstrip and burned.
 - All other structures to be taken down, transported to airstrip and burned.
 - Camp area, water supply lines and surrounding terrain to be restored to as near normal as possible, and to the satisfaction of Department of Mines and Natural Resources representative.
 - Tractor, and other machinery, may be left near the airstrip on the understanding that it will be removed not later than ^{Jan 31} ~~May 1~~, 1971.

- Gasoline.

- Disc'd with W. McLean ^{4 FSG.} July 14/70.

Items to discuss with W. McLean

No time to discuss
W. McLean to C.E.C. on 14/70.

- ① Whitehorn Creek
- ② Mainbridge Tariffs
- ③ Sawtooth Hwy.
- ④ W. McLean's reports to N.W. McLean July 29.
- ⑤ Pacific - Fife Lake
- ⑥ Cranston - Point Lake
- ⑦ Surplus of food & equipment in the gas at 5/6 settlement

INTERNAL DEPARTMENTAL MEMORANDUM



DATE July 7, 1970

FROM F. S. Gamey
Reservoir Engineer

TO J. S. Roper
Director of Mines

PROVINCE
OF
MANITOBA

SUBJECT MERLAND WHITE BEAR DRILLING

DEPARTMENT OF MINES
& NATURAL RESOURCES

JUL 7 - 1970

DIRECTOR OF MINES

Phone call from Martin Menard - 10.40 A.M.

As far as can be ascertained, "B" casing has been run or is being run at 1,000'.

According to McLeod, Transair operator at Gillam, the geologist (Frank Blue) will be sending out reports in code from now on.

10.50 A.M.

Phone call from Pete Olley, Calgary, confirming yesterday's report that the hole was at 785'.

Olley is to report to us the depth of the hole, etc., when he receives the "decoded" report. He apparently had not received this morning's report as yet. He does not want reports going through Midwest personnel.

Regarding the core, he ^{Olley} will notify us when the core is being shipped out. It would be advisable for us to pick up this core at the airport and have Geology take it to Fort Osborne or where there is a suitable place to examine it.

It is likely that ^{Olley} Olley will want to have a look at it before deciding on any analysis of core sections.

P.S. I have discussed the 'core' storage situation with Hugh McCabe. They will have to store the core at the University core shack and can arrange to have it laid out for Olley any time he wants to examine it.

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

CONFIDENTIAL

1380 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852

PROGRESS REPORT #2

Well: Merland et al Whitebear Creek STH #1

Date: July 6, 1970

From: P.M. Oley

Finished reaming down N-Casing, on June 30 and cemented same, to surface on July 1. N-Casing was landed at approximately 283 ft. and casing job was witnessed by Grady Johnston of the Manitoba Dept. of Mines.

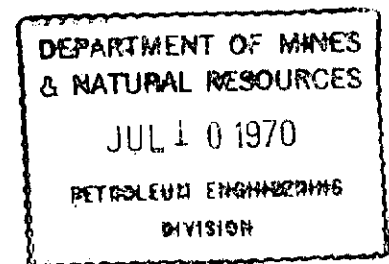
Drilled out surface casing shoe, evening of July 3, 1970. Cored with NQ equipment to 785 ft., at 8:00 A.M., July 6, and coring ahead in silty limestone. No formation tops available as yet.

Frank Blue, the Consulting Geologist arrived on the lease on July 4, with a grocery supply flight.

Information is still sketchy from the wellsite due to poor radio reception.

*785' - Checks with Midwest
report
Monday morning*

P.M. Oley
P.M. Oley



Copy to DIRECTOR OF MINES and VIRGINIA OFFICE
July 2/70.

M.G.

DEPARTMENT OF MINES
& NATURAL RESOURCES
JUL 2 - 1970
DIRECTOR OF MINES

MERLAND OIL COMPANY OF CANADA LIMITED

360 BAY STREET, TORONTO, CANADA

TEL. 363-9517

DEPARTMENT OF MINES & NATURAL RESOURCES
1880 GUINNESS HOUSE
CALGARY, ALBERTA
TEL. 269-6852
JUL 8 - 1970
DIRECTOR OF MINES

PROGRESS REPORT #1

Well: Merland et al Whitebear Creek STH #1

Date: June 28, 1970

From: P.M. Oley

On June 13, 1970 a Midwest Supervisor plus two men flew into the location to inspect equipment, to start building a camp and locate an air strip so that supply flights could be made as the well was drilling. An air-strip was located two and one quarter miles from the wellsite and a Coot swamp buggy was flown in to move supplies from the air-strip to camp. The Coot was flown in on June 19, with the balance of the Midwest drilling crew, by Twin Otter. A grocery flight was made on the same day.

On June 24, it was necessary to fly in additional timbers to share up the rig footing as the drill site is on muskeg.

On June 26, the well was spudded and by June 28 was at 303 feet and running N casing. Base of the drift was at 85 feet.

[Handwritten signature]

DEPARTMENT OF MINES
AND NATURAL RESOURCES
JUL 3 1970
ASSISTANT DEPUTY MINISTER'S
OFFICE

[Handwritten signature]

DEPARTMENT OF MINES
& NATURAL RESOURCES
JUL 3 1970
PETROLEUM ENGINEERING
DIVISION

INTERNAL DEPARTMENTAL MEMORANDUM



PROVINCE OF MANITOBA

DATE June 22, 1970

FROM F. S. Gamey
Reservoir Engineer

TO J. S. Roper
Director of Mines

DEPARTMENT OF MINES
NATURAL RESOURCES

JUN 22 1970

SUBJECT MERLAND WHITEBEAR CREEK STH

DIRECTOR OF MINES

Phone call to MARTIN MENARD - Midwest Drilling - June 22/70

1. Campsite should have been completed by Saturday, June 20th.
2. The 900' airstrip is too soft for single engine planes to take off from. It will be necessary to use twin-engine Otter or fly by helicopter from Gillam.
3. Midwest Aviation are handling supplies and will take in more supplies, possibly in two weeks time, using twin-engine Otter.
4. The hole will likely be spudded by Wednesday, June 24/70.
5. Circulation of cement and 300' of casing will not likely be run till near the end of the month.
6. Menard has good radio contact with the camp now and will phone us as to progress.

1³⁰ pm - Talked to Armand & Stan:
 - need 9 - 8' x 8' x 16' to put drill on
 - will be flown in by Midwest Twin Otter Wed June 24th.
 - Rotating expected June 27 or 28.
 - Helio capture chutes from Gillam \$125/hr - 1^{hr} 40^{min} oneway - land @ drill site
 - They have 7 men in their crew.
 - Beach 3 1/2 mi from rig.
 - Otter - chartered cost from Wpg. 2000, - cost from Norway Ave - 600 if used to there.

2 pm - Phoned Bill McLean & brought him up to date on the above
 - Will keep in touch as to progress. : Bruce Molberg CO from Gillam will report to be by 90 in with 64 person

June 18, 1970.

Mr. P.M. Oley, Manager
Calgary Branch,
Merland Oil Company of Canada Ltd.,
1380 Guinness House,
Calgary, Alberta.

Dear Mr. Oley,

Re: Merland et al Whitebear Creek STH #1

In reply to your letter to Mr. Gobert of June 16, 1970 we return herewith your copy of the attachments pertaining to the above noted subjects. You will note that we are enclosing a copy of the amended Drilling License and amended conditions attached to the Application for License to Drill New Well.

We are also enclosing copy of letter to Mr. T.L. Charne dated June 17th regarding the conditions pertaining to the use of a swamp buggy and the burning and burying of garbage.

Yours sincerely,

J.S. Roper,
Director of Mines.

Encl.

cc: Mr. M.J. Gobert
Mr. T.L. Charne

RSJ/gh

June 17, 1970.

Thaddeus L. Charne, Q.C.
Barrister, Solicitor, Notary,
460 Main Street,
Winnipeg 2.

Dear Sir;

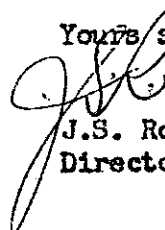
Re: Drilling License No. 2454
Application for License to Drill New Well
Merland et al Whitebear Creek Prov. STH#1

Further to your telephone report this afternoon advising that on the spot site examination this week showed no airstrip possibilities existed closer than 2 miles from where the drilling equipment was left by the tractor train. You stated that the drill and camp site was satisfactory but there was no way of traversing the terrain between the possible airstrip and the drill - camp site because of muskeg and high creek flows, nor was it possible to take the small tractor from the drill site to the airstrip. Therefore you requested permission to take in a swamp buggy to transport equipment, supplies and personnel between the airstrip and the drill site.

Under such extenuating circumstances we hereby grant permission for you to take in a swamp buggy to transport equipment, supplies and personnel between the airstrip and the drill - camp site. However it must be clearly understood that this swamp buggy is not to be used for any other purpose and must not be used in any other vicinity than between the airstrip and the drill site.

Due to the muskeg conditions existing close to the drill site permission is granted to transport garbage from the camp to the airstrip area for burning and burying.

Yours sincerely,


J.S. Roper,
Director of Mines.

c.c. Mr. W. Winston Mair
Mr. M.J. Gobert

JSR/gh

*copies to
W.C. McLean
G.E. Johnson
F.S. Hanson
T. Morgan
P.M. Alley
OLEY
June 18/70.*

Statement by the Honourable Sidney Green, Q.C.,
Minister of Mines and Natural Resources:

DEPARTMENT OF MINES
& NATURAL RESOURCES

JUN 16 1970

DIRECTOR OF MINES

An application for license to drill a new well has been received from Merland Explorations Ltd. and a Drilling License has been issued. The "well" will be located near the mouth of Whitebear Creek at approximately 57° 22'N. 92° 27'W.

As I indicated previously, all precautions are being taken to avoid pollution and ensure conservation of the polar bear population. The operation will be monitored by Departmental personnel to make certain that the company drills the diamond drill hole in the safest manner.

Requirements of the drilling license, which have been designed to cope with the situation, include:

- (1) A restriction of firearms to persons authorized by a senior officer of the Department;
- (2) A prohibition of shooting at polar bears;
- (3) The searching for or hazing of polar bears with aircraft or in any manner is strictly forbidden;
- (4) The only vehicle permitted in camp will be a small tractor, which shall remain in the beach area until the drilling operation is completed.
- (5) All garbage will be burned and buried at least one-half mile from the camp.

In addition to the foregoing conservation and anti-pollution measures, additional requirements have also been embodied in the license to safeguard against pollution, excess water flows, and gas or oil blow-outs which may occur during the drilling of the diamond drill hole. These include - the setting of the surface casing into bed rock and cementing it to surface; the installation of a blow-out preventer to control any water, gas or oil encountered under pressure; the installation of a high pressure non-return valve between the water swivel and the hose.

If any "oil shows" are encountered, the well must be shut in until storage facilities are available for testing the "show".

The "well" cannot be produced. It is a structure test hole and must be abandoned by running a cement plug from total depth to surface. After cementing of the hole has been completed, the surface casing will be cut off three feet below surface and the drill site levelled and cleaned.

The Company has posted a drilling bond in the amount of \$5000 and this will not be released until the abandonment of the well and the clean-up of well site has been inspected and approved by a qualified Departmental representative. From the beginning to the end of the drilling operation all activities will be under the direction of Departmental representatives.

The granting of this license does not mean that any future applications will be automatically granted. All future applications will be individually considered at the time of receipt and a decision to grant a license to drill will be made based on all the information available at the time.

June 15, 1970

David M. Sanders,

Administrative Assistant

Marland Oil

COPY

Honorable Sidney Green, Q.C.,

Minister of Natural Resources.

DEPARTMENT OF MINES
& NATURAL RESOURCES

JUN 16 1970

DIRECTOR OF MINES

- I checked again with Jack Roper and the situation is as follows:
1. The Company was granted exploratory permits for oil and gas in February, 1968.
 2. On Friday we gave them a "licence to drill a new well."
 3. The granting of a drilling licence to a permittee is not automatic, but obviously a licence should not be refused without very good reason.
 4. Roper says that we could have told the company that no drilling would be allowed in the vicinity of the polar bears if we had so wished. However, the company sent in its drilling rig in April, well before our discovery of the bear denning area.
 5. We still could have refused to grant the drilling licence, but we would have had to reimburse the company for its exploration expenditures.
 6. There has been no suggestion from the Department that the protective measures being taken are insufficient and that mineral development should be permanently banned in the area.

So the current drilling operation is clearly one which you must take responsibility for.

ORIGINAL SIGNED BY
D.M. SANDERS

DMS/ps

c.c. W. Winston Blair
M. J. Gobert
J. S. Roper

INTERNAL DEPARTMENTAL MEMORANDUM

FROM W. Winston Mair,
Deputy Minister.



PROVINCE
OF
MANITOBA

DATE June 11, 1970

TO Mr. J. S. Roper,
Director of Mines.

SUBJECT Merland Explorations Limited - Application for Licence to Drill

New Well at Mouth of White Bear Creek.

DEPARTMENT OF MINES & NATURAL RESOURCES	JUN 11 1970	DIRECTOR OF MINES
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I feel very strongly that we must permit this drilling effort, both to prove out what the petroleum potential of the area may be and to learn what problems we may encounter should we some time later face decisions respecting a major oil discovery close to a polar bear concentration area. We won't learn anything by backing off entirely; at the same time we cannot permit damage to the unique bear concentration.

I know that our staff are well briefed on this situation and will effect close control and supervision. However, I believe we should make a few more restrictions clear to the Company - as a part of the Agreement or certainly in writing as hereunder:

1. W. C. McLean should not only decide who may have firearms at the site but he should have the authority to rescind any permission at his discretion.
2. Aircraft owned or employed by the Company should be forbidden to search out, fly low over or in any way haze the bears.
3. We should have the authority to shut down the operation if the Company operates in such a fashion as to breach any of the terms we have outlined or if in our judgement the operation is prejudicial to the maintenance of the bear population. Obviously we aren't going to be silly in this, but the company should know we mean business.
4. It should be made clear to the Company that if they find oil they must not assume that they will automatically be granted further permits to drill. We are taking this matter step at a time and nothing can be taken for granted respecting further operations.

I am convinced we can find a way to develop our natural

resources in harmony with such situations as we have with this polar bear population, but we proceed on the basis that such has to be proved at every step along the way, with termination of activity if my conviction proves wrong until we reassess.


W. Winston Mair.

Merland, Structure Test Hole.

White Bear Creek,
Hudson Bay Area,

Lat. 57° 22' North

Long. 92° 27' West

Drilling Program and Safety Precautions

1. 300 feet of 'N' surface casing (3½" O.D.) will be set in bed rock and cemented back to surface. This is normal practice in all oil structure test hole drilling.
2. A Rattigan blow-out preventer will then be installed to control any water, gas or oil, should same be encountered under pressure during the drilling. After the surface casing has been cemented in, and the blow-out preventer installed, drilling will proceed and the hole will be cored through the Palaeozoic formations and 50 feet into the Precambrian. The core size will be approximately 1 7/16".
3. Any water flows will be controlled by cementing or running a second string of casing.
4. The drilling rig will have a high pressure non-return valve installed between the water swivel and the hose to control any possible blow-back of water.
5. If any 'oil shows' are encountered the well must be shut in until storage facilities are made available during testing.
6. The well cannot be produced. It is a structure test hole only and must be abandoned by running a cement plug from total depth to surface. This is to be witnessed by a Mines Branch representative.
7. After cement plugging of the hole has been completed the surface casing will be cut off 3 feet below surface and the drill site levelled and cleaned.
8. The drilling bond of \$5,000.00 will not be released until the clean up of the drill site has been inspected and approved by the Department.

Drilling of a diamond drill hole on West shore of Hudson Bay

An application for license to drill a new well has been received from Merland Explorations Ltd. and a Drilling License has been issued. The "well" will be located near the mouth of Whitebear Creek at approximately 57° 22'N, 92° 27'W.

As I indicate previously, all precautions are being taken to avoid pollution and ensure conservation of the polar bear population. The operation will be monitored by Departmental personnel to make certain that the company drills the diamond drill hole in the safest manner.

Requirements of the drilling license, which have been designed to cope with the situation, include:

- (1) A restriction of firearms to persons authorized by a senior officer of the Department;
- (2) A prohibition of shooting at polar bears;
- (3) The searching for or hazing of polar bears with aircraft or in any manner is strictly forbidden;
- (4) The only vehicle permitted in camp will be a small tractor, which shall remain in the beach area until the drilling operation is completed.
- (5) All garbage will be burned and buried at least one-half mile from the camp.

In addition to the foregoing conservation and anti-pollution measures, additional requirements have also been embodied in the license to safeguard against pollution, excess water flows, and gas or oil blow-outs which may occur during the drilling of the diamond drill hole. These include - the setting of the surface casing into bed rock and cementing it to surface; the installation of a blow-out preventer to control any water, gas or oil encountered under pressure; the installation of a high pressure non-return valve between the water swivel and the hose.

If any "oil shows" are encountered, the well must be shut in until storage facilities are available for testing the "show".

The "well" cannot be produced. It is a structure test hole and must be abandoned by running a cement plug from total depth to surface. After cementing of the hole has been completed, the surface casing will be cut off three feet below surface and the drill site levelled and cleaned.

The Company has posted a drilling bond in the amount of \$5000 and this will not be released until the abandonment of the well and the clean-up of well site has been inspected and approved by a qualified Departmental representative. From the beginning to the end of the drilling operation all activities will be under the direction of Departmental representatives.

The granting of this license does not mean that any future applications will be automatically granted. All future applications will be individually considered at the time of receipt and a decision to grant a license to drill will be made based on all the information available at that time.

INTER-DEPARTMENTAL MEMORANDUM

FROM C. E. McLean,

Administrative Officer.

SUBJECT File 5, Group 575 Unsurveyed. Merland Oil Company of Canada Ltd. - White Bear



PROVINCE OF MANITOBA

DATE May 22, 1970.

TO Mr. Trevor Morgan,
Mining Recorder - Mines Branch.

DEPARTMENT OF MINES
& NATURAL RESOURCES
Creek Area.
MAY 22 1970
DIRECTOR OF MINES

You may advise Merland Oil Company of Canada Limited, 360 Bay Street, Toronto, Canada, that the Lands Branch has no objection to occupation of the surface of Crown land in connection with exploration drilling site in the vicinity of Latitude 57°22' North Longitude 92°27' West, providing the Department of Public Works (Canada) has no objection as this area is reserved to Department of Public Works (Canada) for a Rocket Recovery Site.

A. Jacked
C. E. McLean.
AJ/jrn

INTERDEPARTMENTAL MEMORANDUM

FROM F.S. GAMEY



PROVINCE
OF
MANITOBA

DATE May 8, 1970

TO J.S. ROPER

C.C. GRADY E. JOHNSON

SUBJECT MERLAND STRUCTURE TEST HOLE - WHITE BEAR CREEK

DEPARTMENT OF MINES
& NATURAL RESOURCES

MAY 8 1970

DIRECTOR OF PH: 786-1131

CONTRACTOR

Midwest Drilling Company, 866 King Edward St., Winnipeg

PERSONNEL

Dave Marshall - Division Mgr. (ph. 888-8137)

Armand Picard -

Martin Manard - Drilling Supervisor, Winnipeg office

Jim Dagg - Drill Foreman on site

PROGNOSIS OF PROPOSED DRILLING

1. 4½" "H" casing to bedrock.
2. 300' of "N" casing. Cement to surface. ✓
3. Install Rattigan blow-out preventer. ✓
4. Drill with NQ rods to 1000'. Run 1000' of casing "B" - 2 1/8" O.D.
5. Drill to T.D. "BQ" rods. Core size - 1 7/16"
6. Run E-logs. ✓
7. Abandonment - cement plug @ T.D. to surface. ✓
8. Cut off casing 3' below surface. ✓
9. To level and clean up site. ✓
10. Estimated drilling time - 5 weeks.

DRILLING MUD

To be used in drilling to bedrock. Water to be used in remainder of drilling.

LOST CIRCULATION

WATER FLOWS

May be controlled by cementing or running second string of casing.

OIL SHOWS

Test only. Shut in well until storage facilities for test oil available.
Well is not to be produced.

MERLAND REPRESENTATIVE ON SITE - Frank Blue

COMMUNICATIONS

To be set up by Frank Blue
Radio hook-up with Midwest Airways likely through Gillam.

CAMP ACCOMMODATION

9 men maximum (Midwest crew - 7) (Merland - 1).

MISCELLANEOUS

Frank Blue to provide Rattigan blow-out preventer and gas masks.
Midwest to install non-return valve (high pressure) between water swivel and hose to control possible blow-back of water.

A handwritten signature in cursive script, appearing to be 'J. G.', located in the lower right quadrant of the page.

May 7, 1970.

DEPARTMENT OF MINES
& NATURAL RESOURCES

M. J. Gobert,

COPY

FILE

Assistant Deputy Minister

MERLAND OIL COMPANY OF CANADA LIMITED -- WHITE BEAR CREEK STRUCTURE TEST HOLE

MAY 7 - 1970
DIRECTOR OF MINESMeeting was held in Mid West Drilling Company office,
May 6, 1970.

Present:

Dave Marshall, Mid West Drilling Co.
 Armand Picard, Mid West Drilling Co.
 Martin Menard, Mid West Drilling Co. (Contract Controller)
 J.S. Roper
 F.S. Gamey
 G.E. Johnson
 M.J. Gobert

Mud gel will be used for drilling through overburden if not
 in clay. Mud tanks on site.

Will use H casing 4 1/2" O.D. in a 5 1/8" hole through overburden -
 then core to 300 feet - run 300 feet of HW or N 3 1/2" O.D. casing and
 cement to surface. Cement to be batch mixed pumped through rods.

Water flows will be shut off with cement or a second string of
 casing. Then drill with NQ rods - 2 3/4" O.D. to 1,000' - 1 7/8" core.

Run 1,000 feet of B casing 2 1/8" O.D. Drill with B.Q. rods
 2 3/16" - 1 7/16" core to T.D. Log hole and cement to surface on
 abandonment. Cut off casing 3' below surface.

If any oil shows, shut well in until storage facilities are
 available. Well is not to be produced other than for test.

Merland consultant Blue will be responsible agent and Jim
 Dagg Mid West's man in charge.

Blow out equipment to be brought in by Blue together with
 oxygen masks.

Non return valve to be put in between water swivel and hose.

Mid West will have 7 men and Merland 1.

If everything goes well, hole should be completed in 5 weeks.

No vehicles in camp except small tractor which will not leave beach area.

Garbage will be burned and buried.

We may recommend that only the two responsible agents are armed. If situation deteriorates we will put armed man in camp.



M.J. Gobert

MJG:1a

c.c. W. Winston Mair

J.S. Roper /

COPY

Mr. M. J. Gobert:

May 1, 1970 - Page 2

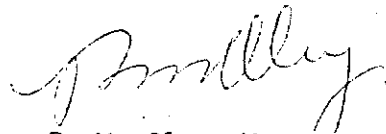
(1) Drilling bond deposits, Manitoba -	\$ 78,000.00
(2) Consulting fees, legal & travel -	6,000.00
(3) Move in rig -	18,000.00
(4) Federal Government deposits (to be made by May 7, 1970) -	<u>28,000.00</u>
T o t a l -	<u>\$ 130,000.00</u>

We trust that you are satisfied with our progress to date in fulfilling our obligations for work under the terms of the permits now issued.

You have indicated to us that concern has been expressed by wildlife conservationists respecting our drilling program, and, that there is a possibility that we will be requested to discontinue our drilling program, either on a temporary or permanent basis. We have reviewed this matter with the senior officials of our Company and they are extremely concerned in view of the commitments, financial and otherwise, which have now been made respecting this drilling program. They have instructed the writer to advise you that if the drilling program is to be discontinued, either on a temporary or permanent basis, then our Company will expect to receive full compensation for all losses incurred, (including whatever damages will have to be paid to Midwest for the termination of its drilling contract). We wish to advise that the drilling contract with Midwest provides for a delay drilling penalty of \$90.00 per day from the 16th instant, if drilling operations are not commenced by that date. This daily penalty will continue until the rig is moved out if a well is not drilled. We expect that the move out costs for all equipment would be the same as the move in costs.

We would request, in order to mitigate such losses, that a firm decision be made on or before the 6th instant, since on the 7th instant our Company is required to pay deposits of \$28,000.00 to the Federal Government, and, it would certainly be unfortunate to pay such deposits and then be unable to proceed with our drilling program.

Yours very truly,


P. M. Oley, Manager
Calgary Branch

PMO/ag

cc: Mr. J. Cameron