

MAR 19680087: NORTHERN ALBERTA

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PRELIMINARY GEOLOGICAL REPORT
SULPHUR PROSPECTING PERMIT NO. 95
NORTHERN ALBERTA

Prepared For
Alaska Canadian Corporation
January, 1968

J. C. SPROULE AND ASSOCIATES LTD.
OIL AND GAS ENGINEERING AND GEOLOGICAL CONSULTANTS

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ILLUSTRATION

Figure 1 - Map showing north-central Alberta and the
Alaska Canadian Corporation Sulphur Permit
with reference to Regional Surface Geology
and Permits held by others

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PRELIMINARY GEOLOGICAL REPORT
SULPHUR PROSPECTING PERMIT NO. 95

NORTHERN ALBERTA

INTRODUCTION

This report has been prepared at the request of Mr. P. A. Schwerdt, acting for Alaska Canadian Corporation, hereinafter referred to as the "Company."

Sulphur occurrences have been reported from many points in northern Alberta and the adjacent Northwest Territories over a period of at least a century. Such sulphur shows have taken various forms including small deposits around springs and gas seeps (also "smoke" or "steam" escapes), thin stringers, beds and cavity infillings in various types of strata. Finely disseminated sulphur is also present as an appreciable minor constituent in many shale deposits and in the well-known Athabasca Oil Sands. Until recently, it had been assumed that such sulphur deposits were uneconomic. The current world-wide shortage of this mineral, however, plus the vastly increased sulphur prices over the last decade, has helped to change the Industry's attitude toward such deposits. It is also pertinent that Industry, in general, had not previously known of the existence of these deposits.

Under the present conditions, the earlier scattered reports of sulphur shows in northern Alberta have suddenly become significant. During recent months, mainly as the result of a show of sulphur encountered on what is now Sulphur Prospecting Permit No. 8, many Sulphur Prospecting Permits have been issued to a number of persons and companies and many other Permit applications are presently being processed by the Alberta authorities. Several major oil and chemical companies have taken up Sulphur Prospecting Permits in the play and others are rumoured to be making deals with smaller companies, or individuals, now holding Permits.

This report presents the results of an investigation of publicly available information relating to the Company's Permit No. 95 and surrounding areas. Sulphur Prospecting Permit No. 95 was included in a regional helicopter reconnaissance carried out by J. C. Sproule and Associates Ltd. during the latter part of 1967. Geologists of this firm also confirmed the occurrence of sulphur on Sulphur Prospecting Permit No. 8.

DESCRIPTION OF PROPERTY

The holdings under consideration, as presented to us, are as follows:

<u>Permit No.</u>	<u>Location</u>	<u>Total Acreage</u>
95	Townships 110 and 111, Ranges 9 and 10, W. 5 M.	39,680

The above Permit is 100 percent owned by the Company and is subject only to normal Government Royalty.

Although the information on this property, as given to us by the Company, has been accepted as correct, we have made no investigation of our own as to the legal title or the interests held.

LOCATION, ACCESS AND TOPOGRAPHY

Permit No. 95 is in the general Fort Vermilion region. Fort Vermilion is located approximately 350 miles north-northwest of Edmonton and is about 45 miles by road east of the town of High Level, which is served by both the Mackenzie Highway and the Great Slave Lake Railway. The location and outline of the Company Permit is shown on the accompanying map, Figure 1.

Sulphur Prospecting Permit No. 95 is located about 18 miles northeast of Fort Vermilion. Highway No. 58 passes through the southeast corner of the property, therefore, accessibility should not present a problem. The terrain within, and immediately adjacent to, the subject Permit slopes gently to the south, towards the Peace River. It is drained by a number of small streams, including Beaver Ranch Creek, but the prevalence of scattered muskeg does indicate imperfect drainage. The vegetation is of a mixed nature from typical muskeg with some black spruce to deciduous trees. Summer traffic would be difficult until roads have been built.

MODE OF OCCURRENCE OF SULPHUR IN RELATIONSHIP TO GENERAL GEOLOGY

Within the general area of interest the principal outcropping bedrock is of Cretaceous age, but, in the northeast portion, particularly in the valleys of the Peace River and Mikkwa River, erosion has stripped off the Cretaceous beds, exposing the older Devonian. The Devonian, as well as the overlying Cretaceous rocks, are generally inclined gently westward into the Alberta syncline so that progressively younger rocks of both Paleozoic and Mesozoic ages are at the surface in that direction. Surface outcrops of both Paleozoic and Cretaceous ages are widespread but not numerous. Very little has been published on them, doubtless because they have not previously appeared to have economic significance.

The bedrock, whether of Devonian or Cretaceous age, is overlain by a variable thickness of glacial and related sediments. The thickness of the glacial beds varies from zero to several hundred feet. The thickness is naturally least in those areas where river valleys are deeply incised.

It is, at this time, not clear to what extent the sulphur is developed in superficial deposits and to what extent it is present with the stratified deposits of the Cretaceous and/or Devonian, but it is believed that both types of occurrence may exist.

The known deposit on Sulphur Prospecting Permit No. 8 appears to be mainly superficial, in the form of lacustrine sediments. It is reported that several pits have been dug and approximately 160 shallow power-auger holes have been drilled, defining a sulphur body measuring 1,400 feet by 1,400 feet. The full thickness and outline of this deposit has yet to be determined. Samples from one of the pits were collected in the field by J. W. Bakhoven, P. Geol., of J. C. Sproule and Associates Ltd. Sulphur assays of these samples range between 62 percent to 70 percent.

At the present time, Bow Valley Industries, the Operator of Sulphur Prospecting Permit No. 8, is undertaking an evaluation of this deposit but the information from such investigations is confidential.

In Sulphur Prospecting Permit No. 95, the bedrock consists of Cretaceous sediments of approximately 300 feet to 500 feet in thickness. These Cretaceous beds overlie Devonian carbonates and are in turn overlain by a variable thickness of glacial and lacustrine sediments.

In the above comments on mode of occurrence, we have avoided discussion of theories of origin because of the large number of presently uncertain factors in this new area. Studies in the area are, however, likely to yield substantial information over the coming field season. Meanwhile theories of origin from Paleozoic connate waters, or from bedded Devonian and other gypsum and anhydrite deposits, are of principal interest. The origin and manner of occurrence of sulphur deposits are of prime importance since these factors will determine whether or not sulphur can be mined at the surface or by stripping, or must be taken from deeper strata by the Frasch process.

SUMMARY AND CONCLUSIONS

Alaska Canadian Corporation has acquired Sulphur Prospecting Permit No. 95. This Permit totals 39,680 acres and is 100 percent Company owned, subject only to normal Crown Royalty.

The Permit is in an area where active interest has been shown by a number of companies, including large sulphur producers and users.

The initial discovery of sulphur in this area was made on Sulphur Prospecting Permit No. 8. The occurrence of sulphur in this Permit has been confirmed by senior geologists of J. C. Sproule and Associates Ltd. The origin, or origins, of the sulphur occurrences in the general Fort Vermilion area is not known at this time.

Access to Sulphur Prospecting Permit No. 95 is by way of Highway No. 58.

It is recommended that a detailed photogeological study of the Permit and adjacent areas be undertaken. Every effort should be made to acquire and analyze pertinent information on sulphur occurrences in Alberta. Subsurface data, including logs and samples from wells in the vicinity of the Permits, should be studied. The cost of the preliminary work should be a maximum of \$600.

These photogeological and related preliminary studies will provide a useful background for the field geological studies that should cost a maximum of \$3,500. Such work would include the field operations of a geological party operating on and around the Permit concerned during the summer field season. The field operations would involve a ground check of the observations made during the photogeological study as well as of rock outcrops and related geological indications. A certain amount of surface and auger test sampling would also be involved. The party concerned would move into the area by truck and conduct work within the area by helicopter and ground traverse.

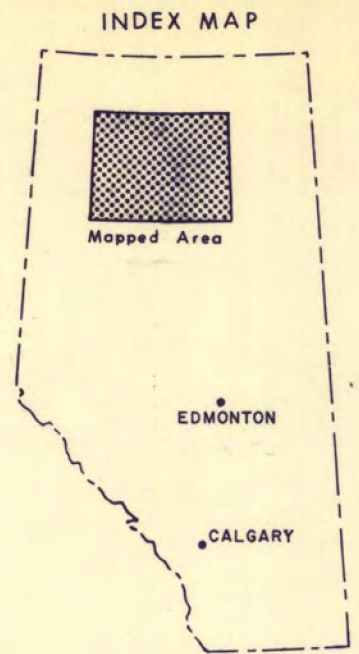
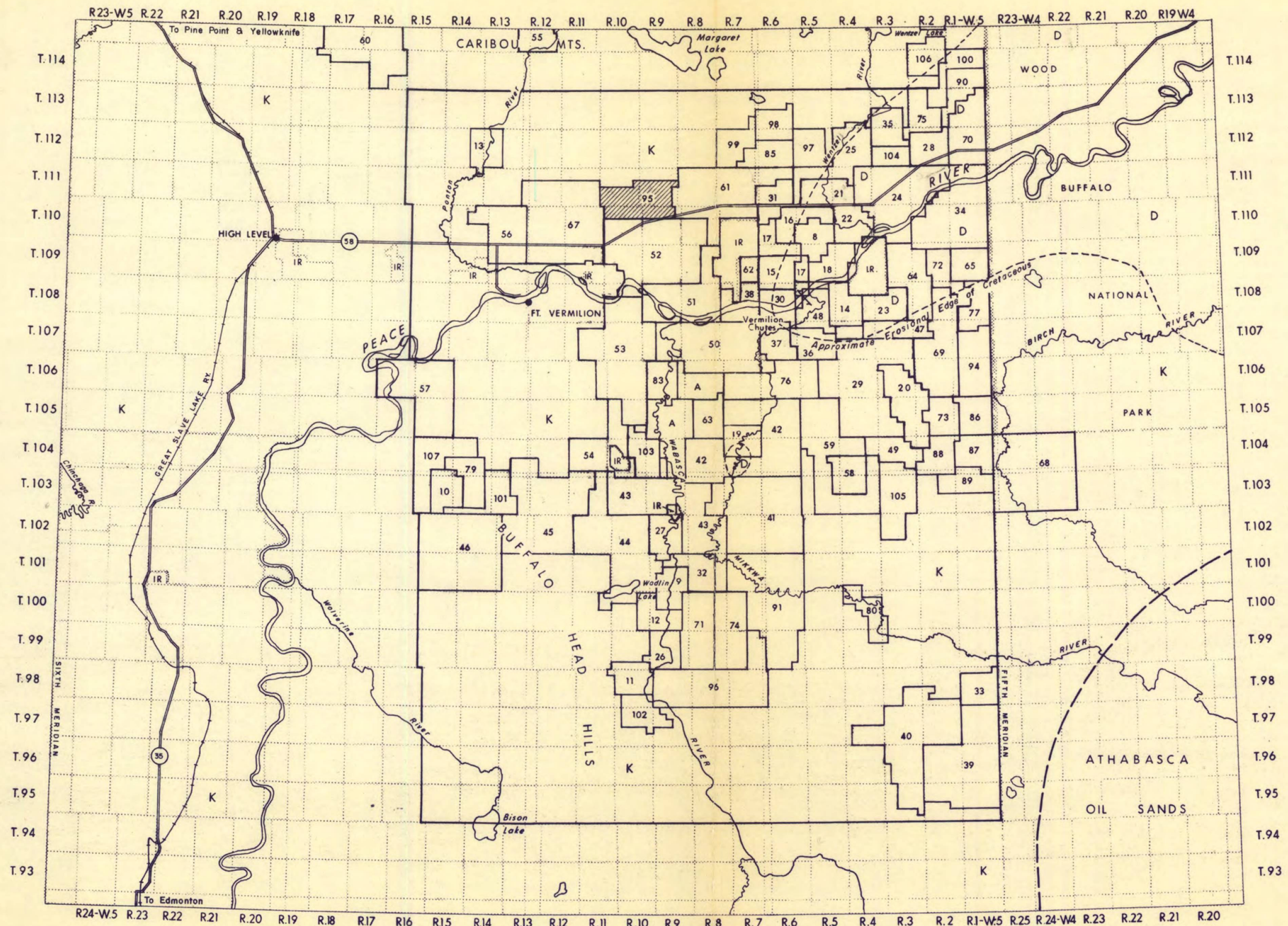
Assuming further work is then justified on a basis of the geological operations described above, it is estimated that a field drilling program, using a portable drill, would cost approximately \$20,000. This would allow for some holes to be drilled to the Devonian.

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V. A. Farley *J*

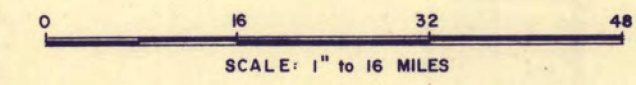

J. C. Sproule, P. Geol.

1009 Fourth Avenue S.W.,
Calgary, Alberta.
January 26, 1968.
JCS/VAF/fc



- LEGEND**
- K Cretaceous Formations
 - D Devonian Formations
 - 17 Sulphur Prospecting Permit
 - A Permit Applied For
 - Alaska Canadian Corporation Permit
 - Outline of Area of Major Current Interest

NORTH - CENTRAL ALBERTA
 showing
ALASKA CANADIAN CORPORATION SULPHUR PERMITS
 with reference to
REGIONAL SURFACE GEOLOGY AND PERMITS HELD BY OTHERS

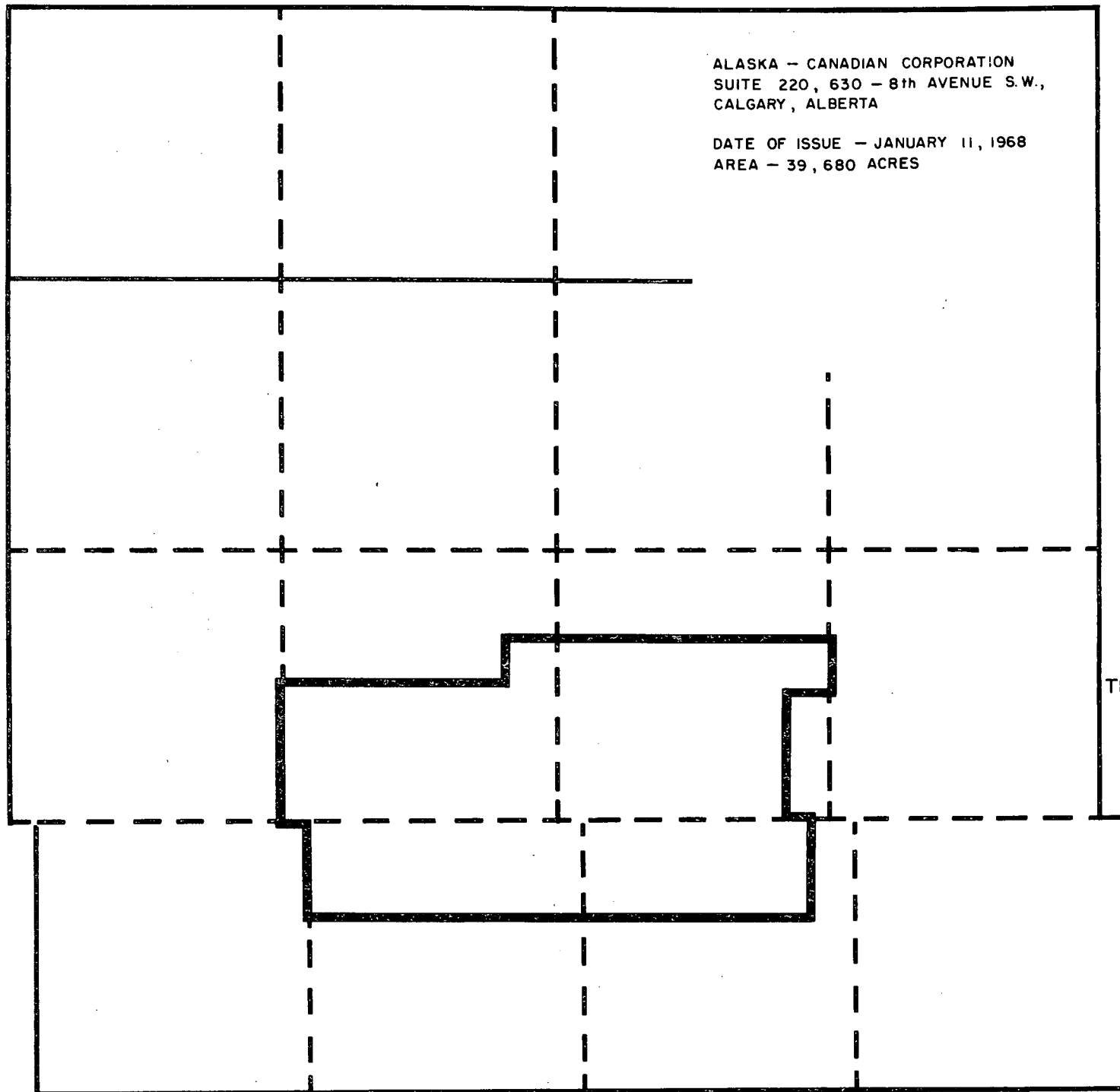


Permits as Published to January 22, 1968

SULPHUR PROSPECTING PERMIT No. 95

ALASKA - CANADIAN CORPORATION
SUITE 220, 630 - 8th AVENUE S.W.,
CALGARY, ALBERTA

DATE OF ISSUE - JANUARY 11, 1968
AREA - 39,680 ACRES



TP. 111

845/11412
NW

TP. 110

R. 10

R. 9

R. 8 W. 5 M.