

# MAR 19680025: FORT VERMILION

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September 10, 1968

PROGRESS REPORT OF THE EXAMINATION OF

SULPHUR PROSPECTING PERMIT NOS. 8, 9 and 10.

- (1) On November 6, 1967 Bow Valley Industries Ltd. entered into a Mining Exploration and Option Agreement with James Julius O'Connor who is the holder of sulphur prospecting permit Nos. 8, 9 and 10. Alcon Petroleum Ltd., (a wholly owned subsidiary of Bow Valley Industries Ltd.) has carried out investigations for elemental sulphur during the first year with respect to each of the permits in accordance with the plan of examination, as amended, and approved by the Department of Mines and Minerals.
- (2) Alcon Petroleum Ltd. contracted with Geophoto Services Ltd. of Calgary, Alberta to conduct and/or supervise these investigations and exploratory program. A detailed report of the examination by Geophoto entitled "Report on Evaluation of Three Sulphur Permits in the Fort Vermilion Area, Northern Alberta" together with all maps and assay reports pertaining thereto are pending to this Progress Report.
- (3) The examination of Permit #8 consisted of pitting, hand augering, trenching, and digging of drill holes resulting in denial of the extent and quality of sulphur occurrences previously suggested to be present. The lack of encouragement for the development of commercial deposits of sulphur at a selected preferred locale, has led to the curtailment of further exploratory work on this Permit.
- (4) On Permits 9 and 10 the field program consisted primarily of helicopter reconnaissance and collection of selected samples for analysis. Low sulphur content was noted in a clay sample at the top of the blade of carbonaceous Cretaceous shales which forms the bedrock over Permit #9 (see Geophoto report).
- (5) By interpretation and extrapolation of conditions found on prospecting permit #8, a prognosis for commercial deposits of sulphur on permit nos. 9 and 10 is very weak. As a result, Alcon has decided to curtail further exploratory work on these permits.
- (6) Total expenditures for the work carried out on Permit No. 8 together with associated office overhead charges amount to approximately \$15,853.24 for the first year (see detail attached).
- (7) Total expenditures for the work carried out on Permit No. 9 together with associated office overhead charges amount to approximately \$2,647.63 for the first year (see detail attached).
- (8) Total expenditures for the work carried out on Permit No. 10 together with associated office overhead charges amount to approximately \$2,647.63 for the first year (see detail attached).

A. D. M. Mason,  
Exploration Manager

Sulphur Prospecting Permits 8, 9 and 10  
 Exploration Expenditures  
November 6, 1967 to July 31, 1968.

Geophoto Services Ltd.

Professional Services	#2104	\$4444.06	
	#2118	5852.35	
	#2127	<u>2667.44</u>	\$12,963.85
Sedco Exploration	#73-15-624	2684.00	
	#73-15-666	1820.51	
	#73-15-755	<u>1181.60</u>	5,686.11
Legal			250.20
Alcon Petroleums			
[REDACTED] 5 days @ \$125		\$625.00	
[REDACTED] field trip expenses		<u>123.35</u>	748.35
Alcon office administrative overhead including Landman time, geological staff, mapping, geological expense.			1,500.00
Total Expenditures			<u>\$21,148.51</u>



Allocation of Exploration Expenditures  
To Individual Permits

Permit No. 8

Geophoto Services Ltd.		
33 1/3% of \$4,444.06 =	\$1,481.35	
100% of \$5,852.35 =	5,852.35	
75% of \$2,667.44 =	<u>2,000.58</u>	\$9,334.28
Sedco Exploration - 100% of \$5,686.11		5,686.11
Legal - 33 1/3% of \$250.20		83.40
Alcon Petroleum - 33 1/3% of \$2,248.35		<u>749.45</u>
Total		<u><u>\$15,853.24</u></u>

Permit No. 9

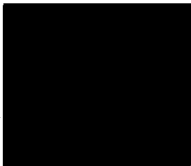
Geophoto Services Ltd.		
33 1/3% of \$4,444.06 =	\$1,481.35	
12 1/2% of \$2,667.44 =	<u>333.43</u>	\$1,814.78
Legal - 33 1/3% of \$250.20		83.40
Alcon Petroleum - 33 1/3% of \$2,248.35 =		<u>749.45</u>
Total		<u><u>\$2,647.63</u></u>

Permit No. 10

Geophoto Services Ltd.		
33 1/3% of \$4,444.06 =	\$1,481.35	
12 1/2% of \$2,667.44 =	<u>333.43</u>	\$1,814.78
Legal - 33 1/3% of \$250.20		83.40
Alcon Petroleum - 33 1/3% of \$2,248.35		<u>749.45</u>
Total		<u><u>\$2,647.63</u></u>


GRAND TOTAL

Permit #8	---		\$ 15,853.24
Permit #9	---		2,647.63
Permit #10	---		<u>2,647.63</u>
			<u><u>\$ 21,148.50</u></u>



Notes re Sulphur Exploration Expenditures

- (1) Geophoto professional services include preparation of maps and photo mosaics, helicopter travel, field party on-the-ground survey and investigations, terrain analysis, collecting of samples, trenching, hand augering, assays, supervision of drill hole program, field expenses (food, lodging, transportation and supplies) report writing, drafting and reproduction expenses.
- (2) Sedco Exploration - Expenditures consist of 122 hours of daywork in digging 13 drill holes with truck mounted drilling rig, establishing winter road and surveying road location and survey control over pits etc. as well as trenching across open clearings in Permit #8.
- (3) Alcon Petroleum - Field examination of Permits 8, 9 and 10 and investigation for elemental sulphur by L. W. Bebensee during 5-day field trip. Preparation and supervision of entire exploration program. Digging of pits, hand augering, trenching. Office administrative and related overhead expenses.

  
Clifford L. Fiesel