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Mr. R. T. Vanderham,
Peyto Oils Limited,
335 Examiner Building,
Calgary, Alberta.

Dear Sir:

Re: Sulphur Permits Nos. 165, 166, 169, 173 & 174
Townships 116 and 117, Ranges 5, 6, and 7, W.5

In response to your letter authorization of August 28, 1968, our field party, under the general supervision of Norman Soul, has completed the work described in your letter. We have, subsequent to that, submitted the samples obtained to Chemical & Geological Laboratories Ltd. Chemical & Geological Laboratory Report No. C68-4119, dated October 7, 1968, attached hereto, presents the results obtained.

In accordance with your instructions, Mr. Soul has made notes on the samples on the locations selected and the list of these holes with the related notes is also attached. As you will observe, the sample numbers in each case are correlated as between the attached reference index maps and the numbers on the Chemical & Geological Laboratories Ltd. reports. The identifications are made with respect to permit number, area number and hole number on each permit.

In accordance with your instructions we have drilled only the one hole on each permit to a depth in each case of eight feet. Furthermore, you will also observe that the samples are taken from the bottom of each eight-foot hole.

Although these analyses do not indicate that the shows of native sulphur are sufficiently significant to guarantee their economic value, it may be that other samples above those taken may be different. I assume, therefore, that you may wish to have other analyses made and then draw your own conclusions. If, on the other hand, you wish us to do this for you, we shall be pleased to oblige.
We return to you herewith the samples taken, in the supposition that you may wish to have additional analyses made.

In the hope that this summary report will serve your present purpose and with thanks for allowing us to serve you in this matter, I remain,

Yours very truly,

J.C. Sproule, P. Geol.

JCS/ih
Encls.

Appendix I - Chemical and Geological Laboratories Ltd.
Laboratory Report Number C68-4119
Appendix II - Index Map of Permits 165, 166, 169, 173 and 174
Appendix III - Permit No. 165, showing location of test hole.
Appendix IV - Permit No. 166, showing location of test hole.
Appendix V - Permit No. 169, showing location of test hole.
Appendix VI - Permit No. 173, showing location of test hole.
Appendix VII - Permit No. 174, showing location of test hole.
Date Reported: October 7, 1968  Laboratory Report Number: C68-4119

J. C. SPROULE & ASSOCIATES LTD.

Kind of Sample: Soil  Date Received: September 30, 1968

<table>
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<tr>
<th>SAMPLE NUMBER</th>
<th>DEPTH IN FEET</th>
<th>ELEMENTAL SULFUR (% by Weight on Dry Sample)</th>
<th>ELEMENTAL SULFUR (% by Weight on Wet Sample)</th>
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<td>165-5-1</td>
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<td>17.68</td>
<td>4.38</td>
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<td>166-6-1</td>
<td>8</td>
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<tr>
<td>167-8-1</td>
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<td>6.19</td>
<td>1.24</td>
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<tr>
<td>174-7-1</td>
<td>8</td>
<td>Trace</td>
<td>Trace</td>
</tr>
</tbody>
</table>
TUESDAY, SEPTEMBER 3

Permit No. 165 - Peyto Oils

Definitely located. Drilled hole in wet muskeg east of lake and southeast of 2 small lakes to northeast, surrounded by spruce

Hole No. 1  S.W. 10-118-5 W. 5 N. Went easily to 8 feet with bottom of decaying vegetation not reached. Two samples 4' and 8'.
TUESDAY, SEPTEMBER 3 (Con't)

Permit No. 166 - Peyto Oils

Located lakes in Sec. 10-116-6. Drilled hole in very wet muskeg at east end of largest lake.

Hole No. 1. S.E. 10-116-6 Y. 5 M. B'y hand to 8 feet. Top of clay at 7' to 7 1/2 feet. Two samples 4' and 8'.
TUESDAY, SEPTEMBER 3 (Con't)

Permit No. 173 - Peyto Oils

Definitely located. Drilled hole in fairly wet narrow muskeg surrounded by small spruce.

Hole No. 1 S.E. 12-117-7. Went to 8 feet by hand. Clay below 3 feet (black muck then grey clay). Felt like gravel at 7 feet but none recovered. Two samples 4' and 8'.
Permit No. 169 - Peyto Oils

S. 1/2 1-117-8. Drilled hole in wet muskeg surrounded by spruce. Auger went to 8 feet, bottom not reached. Decayed vegetation. S.W. 1/4 117-8 W. 5 M. Two samples 4' and 8'.

Permit No. 174 - Peyto Oils

Hole No. 1. N.W. 31-115-7 W. 5 M. Wet muskeg on west side of lake. Clutch out of motor, rope jammed. Drilled by hand. Three holes. Gravel at 3 feet to 4 feet in 1st 2 holes, 3rd on edge of lake in deep muskeg went to 8 feet. Grey clay below gravel. Two samples 4' and 8'.