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Ref.: 2.707.1483.4

Mr. J. B. Duff,
Aztec Oil and Gas Company,
1090 Elveden House,
717- 7 Avenue S. W.,
Calgary, Alberta.

Dear Mr. Duff:

Re: Sulphur Prospecting Permit No. 178

During the past year we have conducted preliminary field examinations of Sulphur Prospecting Permits for a number of clients. Samples collected in the field have been analyzed for sulphur content by Chemical and Geological Laboratories Ltd. and our recommendations to clients have been based on the results.

Late in 1968 one of our clients arranged for check analyses of samples from Sulphur Prospecting Permits to be made by several other laboratories and the results showed that many of the reported higher sulphur values could not be confirmed. Indeed, there were alarming discrepancies between the results. In general, and particularly with the muskeg samples which were high in organic material, the Chemical and Geological Laboratories results were much higher than the results from other laboratories. We have discussed this situation with the managers of the several laboratories and it appears that errors in analyses for elemental sulphur can develop in samples with high organic content. In other words, it is possible that organic materials or paraffins may be recorded as sulphur.

The only previous analyses of samples from Permit No. 175 with elemental sulphur analyses higher than 2.17 percent were those for Sample 178-1-1 at 2 feet with 15.55 percent and Sample 178-1-3 at 4 feet with 59.27 percent. We took the liberty of having check analyses of these two samples made by Loring Laboratories Ltd. and the results showed 4.64 percent element sulphur and 8.21 percent elemental sulphur respectively. A copy of the Loring report is attached.

The two Permit No. 175 samples with the reported higher sulphur values were muskeg material and we are now convinced, on the basis of widespread check analyses, that the previous analyses must be strongly discounted.
In conclusion, we now consider the analysis of 8.21 percent sulphur for the sample at location 178-1-3 to be the only significant analysis from your permit. This value is somewhat higher than might be expected from soil samples in this area. Nevertheless, we consider the possibility of locating a commercial deposit of sulphur on Permit No. 178 sufficiently remote that we hesitate to recommend the expenditure of any further exploration effort.

If you wish, we will obtain for you analyses from a third laboratory in Winnipeg or Vancouver prior to your making a final decision on the disposition of Permit No. 178. We believe the renewal date is February 26, 1968.

Yours very truly,

J. C. SPROULE AND ASSOCIATES LTD.

S. R. L. Harding, P. Geol.
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<tr>
<th>SAMPLE No.</th>
<th>Elemental S%</th>
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<tr>
<td>178-1-1-2'</td>
<td>4.64</td>
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<tr>
<td>178-1-3-4'</td>
<td>8.21</td>
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These assays for elemental sulphur were analysed by the aniline procedure, outlined by Low, Weinig, & Schoder.

I hereby certify that the above results are those assays made by me upon the herein described samples.

Rejects Retained one month.
Pulps Retained one month unless specific arrangements made in advance.

Provincial Assayer of British Columbia