

Bill No. 28 of 1945.

A BILL TO CONFIRM ORDER IN COUNCIL No. 1885-44  
DATED THE 6TH DAY OF DECEMBER, 1944,  
AUTHORIZING THE EXECUTION OF CERTAIN  
AGREEMENTS BETWEEN THE GOVERNMENT  
OF THE PROVINCE OF ALBERTA AND OIL  
SANDS LIMITED AND BITUMOUNT HOLDING  
COMPANY LIMITED.

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NOTE.

The purpose of this Bill is to confirm an Order in Council which authorized the execution on behalf of the Government of the three agreements which are set out in a Schedule to the Bill.

The first agreement is between the Government and Oil Sands Limited and may be summarized as follows: The Government agrees to deposit with the Provincial Marketing Board the sum of Two Hundred and Fifty Thousand Dollars for the purpose of constructing a plant at Bitumount, Alberta, to separate oil from oil sands and to refine the oil. The construction and operation of this plant is to be under the supervision of a Board of Trustees consisting of two Ministers and a representative of the Company. The plant is to be constructed by the Company in accordance with plans and specifications approved by the Board of Trustees. The Provincial Marketing Board shall, from time to time, pay the invoices and pay-rolls in connection with the construction which have been approved by the Company. The Company is to pay any cost of construction in excess of Two Hundred and Fifty Thousand Dollars and if the cost is less than that, the difference will be applied on the purchase price of the plant under the second agreement. The Government agrees to sell the plant to the Company when completed for the sum of Two Hundred and Fifty Thousand Dollars, the management and operation to remain under the supervision of the Board of Trustees until payment in full under the agreement of sale. If there is any default in the first agreement or the agreement of sale for three months, the Government may enter into possession and operate the plant. After the completion of the plant, its operation shall be subject to the conditions set out in the agreement.

(a) The Government shall have the privilege of carrying on experiments through the Research Council of Alberta or otherwise; it is provided that if any new experimental feature is installed in the plant and retained, its cost shall be added to the purchase price under the agreement of sale.

(b) If production at the plant is delayed by these experiments, the Company shall be entitled to an extension of time for completion of payments.

(c) If the Research Council develops any new invention or improvement in existing patents and obtains a patent therefor, the Government will grant to the Company a right but not an exclusive right to make or use in the Province of Alberta the inventions, etc., described in the patent.

The Company agrees to insure the works during construction in the joint names of the Government and the Company.

The second agreement in the Schedule is an agreement for sale from the Government to the Company of the plant and the land described for the sum of Two Hundred and Fifty Thousand Dollars in ten annual instalments of Twenty-Five Thousand Dollars a year beginning on December 4th, 1946, with interest at the rate of 4% from December 4, 1945. The Company agrees to keep the property free of liens and taxes and that it will not dismantle the plant without permission of the Government. There is the usual covenant as to insurance. Provision is made that in case of default on the part of the Company, the Government may enter into possession of the property and remove it or sell it without removing it. Other provisions are contained in the agreement enabling the Government to enforce payment under the agreement notwithstanding it may have taken possession, etc.

The third agreement in the Schedule is between the Bitumount Holding Company Limited and the Government. This agreement recites that bituminous sands lease No. 3 was granted by the Province to Lloyd Rogers Champion and assigned by him to Bitumount Holding Company Limited and that the Government required additional security for the carrying out by Oil Sands Limited of its covenants under the first two agreements and that the oil sands on or under 424.5 acres shall be available for use by the Government should Oil Sands Limited default in its purchase, and the Government repossess the plant, and that the Bitumount Company had agreed to these things. The Company then agrees to convey and surrender to the Government all its title under the Bituminous Sands Lease No. 3 above referred to in the lands described therein, with the exception of certain areas described to the intent that the rights of the Company in the lands surrendered should be merged in the title of the Province and extinguished. The Company further agrees that if Oil Sands Limited makes default for a period of three months in carrying out any of its covenants in the first two agreements, it will convey and surrender to the Government all its interest in the sand lease in further parcels as described to the intent the rights of the Company in respect to such lands shall be merged in the title of the Province and extinguished. Section 2 of the agreement provides that all the covenants under the lease shall continue

in force in relation to the lands not surrendered and that the rental shall be payable only in respect of the land not surrendered. Section 3 of the agreement provides that when Oil Sands Limited has fully paid the purchase price of the plant as provided by the agreement of sale (referred to above as the second agreement), the lands surrendered under paragraph (a) of section 1 shall again become included in and be subject to the said Bituminous Sands Lease and that the yearly rental shall again be One Dollar per acre. Section 4 is a consent by the Government to two agreements, one between Champion and Oil Sands Limited and one between Champion and Bitumount Holding Company Limited.

W. S. GRAY,  
*Legislative Counsel.*

*(This note does not form any part of the Bill but is offered in explanation of its provisions.)*

# BILL

No. 28 of 1945.

An Act to confirm Order in Council No. 1885-44 dated the 6th day of December, 1944, authorizing the Execution of certain Agreements Between the Government of the Province of Alberta and Oil Sands Limited and Bitumount Holding Company Limited.

(Assented to \_\_\_\_\_, 1945.)

**H**IS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

**1.** A certain Order in Council dated the 6th day of December, 1944, and intituled O.C. 1885-44, and the agreements referred to therein which are set out as the Schedule to this Act, are hereby amended by substituting the words "Provincial Marketing Board" for the words "Alberta Marketing Board" wherever they appear in the Order in Council or in the said agreements.

**2.** The said Order in Council and the agreements set out in the Schedule to the said Order in Council as amended are hereby ratified, validated and confirmed and shall have the same force and effect as if the same had been enacted by this Act.

**3.** This Act shall come into force on the day upon which it is assented to, and upon so coming into force shall be deemed to have been in force at all times since the 6th day of December, 1944.

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## SCHEDULE

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O.C. 1885-44

Approved and Ordered,

(Signed) J. C. BOWEN,  
*Lieutenant Governor.*

Edmonton, Wednesday, December 6th, 1944.

The Executive Council has had under consideration the report of the Honourable the Acting Minister of Lands and Mines, dated December 6th, 1944, stating that:

Whereas Oil Sands Limited is a company incorporated under the laws of the Province of Alberta, and is the owner and operator of a plant situate at Bitumont, Alberta, where it separates and refines oil from oil sands and particularly from the deposits of oil sands in the vicinity of McMurray, Alberta; and

Whereas the Government is interested in the development of the natural resources of Alberta, and is desirous of encouraging the development and advancement of a method of extracting oil from the said oil sands and for such purpose through the Research Council, desires to carry out experiments to improve the process of extracting and separating oil from the oil sands in order that full utilization shall be made of these valuable natural resources; and

Whereas the Government proposes to deposit with the Alberta Marketing Board the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) to be advanced from time to time to Oil Sands Limited in the manner prescribed by an agreement dated the 4th day of December, A.D., 1944, which agreement is attached hereto, for the purpose of constructing a pilot plant for the extraction and refining of oil from the said oil sands; and

Whereas the Government has agreed to sell, and Oil Sands Limited has agreed to purchase the said plant for the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) under the terms and conditions and on the security set forth in certain agreements dated the 4th day of December, A.D., 1944, which said agreements are attached hereto; and

Whereas by *The Post-War Reconstruction Fund Act*, being Chapter 9 of the Statutes of Alberta, 1943, there was created "The Post-War Reconstruction Fund"; and

Whereas by Section 6 of the said Act it was provided that the said Fund may be applied to the undertaking of such enterprises as in the opinion of the Lieutenant Governor in Council are necessary for the satisfactory development of the Province or of any particular area of the Province; and

Whereas on the 13th day of March, A.D., 1944, the following resolution of the Legislative Assembly was passed:

"Be it resolved, that this Assembly authorize the Government to erect a plant for the purpose of assisting the Research Council in determining the practicability of the commercial extraction of oil and bitumen products from the Athabasca Oil sands, with a view to the development of these sands by the Government in the interests of all the people of the Province, if it is found advisable so to do; and

Be it further resolved that the money necessary for such plant be taken from the money voted by this Assembly for Post-War Reconstruction Work."; and

Whereas in the opinion of the Lieutenant Governor in Council, the said resolution of the Legislative Assembly should be implemented; and

Whereas no statutory authority exists to enable the Government to enter into the said agreements; and

Whereas it is deemed expedient to provide by Order in Council the necessary authority to enter into the said agreements, subject to the same being validated at the next Session of the Legislature;

Therefore, upon the recommendation of the Honourable the Acting Minister of Lands and Mines, the Executive Council advises that;

(1) The Honourable the Minister of Lands and Mines be and he is hereby authorized on behalf of the Government of the Province of Alberta to enter into the agreements with Oil Sands Limited and Bitumount Holding Company Limited, which are attached hereto;

(2) The Honourable the Provincial Treasurer be and he is hereby authorized to pay to the Alberta Marketing Board out of "The Post-War Reconstruction Fund" standing in his name, the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) to be disbursed for the purpose of constructing a pilot plant for extracting and refining oil from oil sands on the terms and conditions contained in the agreements attached hereto.

(Signed) ERNEST C. MANNING,  
Chairman.

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MEMORANDUM OF AGREEMENT made this 4th day of  
December, A.D., 1944.

Between:

The Government of the Province of  
Alberta, represented herein by the Hon-  
ourable Dr. W. W. Cross, Acting Minister  
of Lands and Mines (hereinafter called  
the "Government")

of the First Part,

and

Oil Sands Limited, a company incor-  
porated under the laws of the Province of  
Alberta (hereinafter called the "Com-  
pany")

of the Second Part.

Whereas the Company is the owner and operator of a plant at Bitumount, Alberta, where it separates and refines oil from oil sands, and particularly the deposits known as the "oil sands" in the vicinity of McMurray, Alberta.

And whereas the Government is interested in and desires to advance the development of natural resources in Alberta, and for such purpose through the Research Council of Alberta, desires to carry out experiments for the purpose

of improving the process of separation of oil from oil sands in order that full utilization shall be made of these valuable natural resources.

And whereas the Government in conjunction with the Company proposes to construct a pilot plant to extract and refine the oil from the said oil sands.

And whereas the Company has agreed to purchase from the Government and put into operation such pilot plant upon and subject to the agreements and conditions hereinafter set forth.

Now it is hereby agreed that in consideration of the premises and of the agreements, conditions and stipulations hereinafter set forth as follows:

1. The Government agrees that it shall forthwith deposit with the Alberta Marketing Board, the sum of Two hundred and fifty thousand (\$250,000.00) Dollars for the purpose of constructing a plant for the separation of oils from oil sands, and for the refining of oil therefrom into fuel oil, diesel oil and asphalt at Bitumont, Alberta, upon the following premises, that is to say:

All that parcel or tract of land, situate lying and being in the Ninety-seventh (97) Township, in the Eleventh (11) Range, West of the Fourth (4) Meridian, in the Province of Alberta, Dominion of Canada, and being composed of:

All that portion of the South Half of Section One (1) of the said Township, as shown upon a map or plan of survey of the said Township approved and confirmed at Ottawa on the Twenty-seventh (27) day of June, Nineteen Hundred and Sixteen (1916), by Edouard Deville, Surveyor General of Dominion Lands and on file in the Department of Lands and Mines at Edmonton, the said portion being more particularly described as follows:

Commencing at a point on the right bank of the Athabasca River 70 feet perpendicularly distant southerly from the north boundary of the said South Half of Section One (1), thence easterly and parallel with the said north boundary a distance of 1,000 feet, thence southerly at right angles to the last described course a distance of 1,000 feet, thence westerly at right angles to the last described course to the intersection with the said right bank of the Athabasca River, thence in a north-easterly direction along the said right bank to the point of commencement.

2. The construction and operation of the said plant, shall be under the supervision of a Board of Trustees, consisting of two Ministers of the Crown appointed by the Government and Lloyd R. Champion, President of the Company, or some other person appointed by it.

3. The decision of the majority of the Board shall be the decision of the Board, on any question or matter to be decided by the Board of Trustees under this agreement. Each member of the Board shall appoint a proxy to act for and represent him in his absence.

4. The plant, with an estimated capacity of two hundred and fifty (250) barrels of oil per-day separated and refined, shall be constructed by the Company in a workmanlike manner and with the best materials obtainable, in accordance with plans and specifications based upon the present plant and processes of the Company, which said plans and specifications, when prepared and approved by the Board of Trustees, shall be annexed hereto and form part of this agreement.

5. The Alberta Marketing Board shall from time to time pay the invoices and pay-rolls received in connection with the construction of the plant which have been approved by the Company or its authorized representatives.

6. The Government agrees that it will instruct the Alberta Marketing Board to endeavour to assist the Company in effecting purchases of machinery, equipment, materials and supplies for the construction of the plant, and that any discounts obtained by the Marketing Board in effecting such purchases will be for the benefit of and passed on to the Company.

7. The Company agrees that if the cost of constructing and erecting the said plant exceeds Two hundred and fifty thousand (\$250,000.00) Dollars, it will provide for and pay such portion of the cost of the plant as exceeds the said sum of Two hundred and fifty thousand (\$250,000.00.) Dollars. If the cost of constructing the said plant is less than Two hundred and fifty thousand (\$250,000.00) Dollars, the Government agrees to apply the difference between the actual cost of construction of the said plant and Two hundred and fifty thousand (\$250,000.00) Dollars, upon the first payments of the purchase price of the plant under the agreement to purchase, annexed hereto, and forming part of this agreement.

8. The Government hereby agrees to sell to the Company, and the Company agrees to purchase from the Government, the said plant when completed for the sum of Two hundred and fifty thousand (\$250,000.00) Dollars, such sale to be upon the condition that the management and operation of the said plant shall be under the supervision of the Board of Trustees mentioned herein, until such time as the purchase price has been fully paid and satisfied, and upon the terms and conditions set forth in the agreement of sale annexed hereto.

9. The Company agrees that in case of default of any of the terms of this agreement, or of the agreement of sale annexed hereto, if the default continues for the space of three calendar months or such further time as the Board

of Trustees shall determine, the Government, its servants, agents or nominees, shall thereupon be entitled to enter into possession of the said premises for the purpose of operating the said plant. This clause shall cease to be operative when all payments due to the Government under this agreement and the agreement of sale annexed hereto have been made.

10. The operation of the said plant by the Company after completion shall be upon and subject to the following terms and conditions:

(a) The Government at all times shall have the right and privilege of carrying on experiments at the said plant through the Research Council of Alberta or otherwise, in order to test any new processes of separation, either by changing the present method in whole or in part or by the installation of a completely new process, and it is agreed that all such experimental work shall be carried on by the Research Council at its expense; provided however that if any new experimental feature is installed in the said plant during the course of such experiments and is retained in its operation, the Company will pay for the cost of such new feature, which cost shall be added to the said purchase price of Two hundred and fifty thousand (\$250,000.00) Dollars and the subsequent yearly payments on account thereof increased proportionately; provided further that if any dispute arises as to whether any new experimental feature shall be installed in the said plant under the provisions of this paragraph, the dispute shall be decided by the Board of Trustees and their decision on the matter shall be final;

(b) If, in the course of carrying out the said experiments, production by the Company at the said plant is delayed, the Company shall be entitled to a reasonable extension of time for the completion of its payments on account of the said purchase price. The amount of the extension required, due to delay in production, shall be determined by the Board of Trustees;

(c) The Government agrees that if the Research Council develops any new invention or inventions for or in connection with the process of separating oil from the said sands or any improvement or improvements to any presently existing patent or patents for or in connection with the process of separating oil from the said sands and obtains a patent or patents for such invention or inventions or improvement or improvements, it will and it does hereby grant to the Company the right, but not the exclusive right, to make anywhere in the Province of Alberta and use anywhere in the Province of Alberta, the invention or inventions or improvement or improvements described in such patents from the date thereof until the end of the term for which the respective patent is granted including any extension; provided however that the Company agrees that it will not

assign, transfer, license or permit any other person or Company to have the right to use the said invention or inventions, or improvement or improvements described in the patents, unless the Company is a subsidiary of Oil Sands Limited or is a company in which Lloyd R. Champion owns the majority of the stock.

11. The Company shall insure the works and keep them insured until they are completed against loss or damage by fire in the joint names of the Government and the Company for the full extent insurable of the works executed, and shall deposit with the Provincial Government Purchasing Agent, the policies and receipts for payment paid for such Insurance; and in default the Government may insure the works and deduct the premium paid from any moneys due or which may become due. All moneys received under such policies are to be paid to the Company by instalments on the certificate of the Board of Trustees and to be applied in or towards the rebuilding or reparation of the works destroyed or injured. The Company shall as soon as a claim under the policy is settled, proceed with all due diligence with the rebuilding or reparation and shall not be entitled to any payment in respect thereof other than the said moneys received.

12. All obligations of the Company under this agreement shall cease and determine when all moneys payable to the Government under this agreement and the agreement of sale annexed hereto, have been fully paid and satisfied.

In witness whereof the Honourable Dr. W. W. Cross, Acting Minister of Lands and Mines has hereunto set his hand on behalf of the Province of Alberta, and this agreement has been executed under the corporate seal of Oil Sands Limited as attested by the hands of its proper officers thereunto duly authorized, the day and year first above written.

Signed on behalf of the Government of Alberta, by the Honourable Dr. W. W. Cross, Acting Minister of Lands and Mines, in the presence of W. J. Wilson.

W. W. CROSS

Signed and Sealed on behalf of Oil Sands Limited by L. R. Champion and G. W. G. McConachie the proper officers of the Company duly authorized in that behalf.

OIL SANDS LIMITED  
L. R. Champion, Pres.  
G. W. G. McConachie,  
Director  
[SEAL]

AGREEMENT made in triplicate this 4th day of December,  
One thousand nine hundred and forty-four (A.D. 1944).

Between:

The Government of the Province of  
Alberta, represented herein by the Hon-  
ourable Dr. W. W. Cross, Acting Minister  
of Lands and Mines (Hereinafter called  
"The Vendor")

of the First Part

and

Oil Sands Limited, a Company incor-  
porated under the laws of the Province  
of Alberta (hereinafter called "the Pur-  
chaser")

of the Second Part

Witnesseth that in consideration of the covenants, con-  
ditions and stipulations herein contained, and the payments  
to be made by the Purchaser as hereinafter specified, the  
strict performance of each and every of the said covenants,  
conditions and stipulations, as well as the making by the  
Purchaser of the said payments being hereby expressly  
declared conditions precedent, and of the essence of this  
Agreement, the Vendor agrees to sell to the Purchaser, and  
the Purchaser agrees to purchase from the Vendor the oil  
separation and refining plant mentioned in the agreement of  
even date herewith and hereto annexed and situate on the  
following lands and premises, the property of the Vendor:

All that parcel or tract of land, situate, lying and  
being in the Ninety-seventh (97) Township, in the  
Eleventh (11) Range, West of the Fourth (4) Meridian,  
in the Province of Alberta, Dominion of Canada, and  
being composed of:

All that portion of the South Half of Section One (1)  
of the said Township, as shown upon a map or plan of  
survey of the said Township approved and confirmed at  
Ottawa on the Twenty-seventh (27th) day of June,  
Nineteen Hundred and Sixteen (1916), by Edouard  
Deville, Surveyor General of Dominion Lands and on  
file in the Department of Lands and Mines at Edmon-  
ton, the said portion being more particularly described  
as follows:

Commencing at a point on the right bank of the  
Athabasca River 70 feet perpendicularly distant south-  
erly from the north boundary of the said South Half  
of Section One (1), thence easterly and parallel with  
the said north boundary a distance of 1,000 feet thence  
southerly at right angles to the last described course a  
distance of 1,000 feet, thence westerly at right angles  
to the last described course to the intersection with the  
said right bank of the Athabasca River thence in a  
north-easterly direction along the said right bank to the  
point of commencement;

at and for the price or sum of Two Hundred and Fifty thousand (\$250,000.00) Dollars of lawful money of Canada, payable in the manner and on the times hereinafter mentioned, that is to say: The sum of Twenty-five thousand (\$25,000.00) Dollars on the 4th day of December, A.D., 1946, and the balance of such purchase price as follows:

The sum of \$25,000.00 on the 4th day of December, A.D., 1947

The sum of \$25,000.00 on the 4th day of December, A.D., 1948

The sum of \$25,000.00 on the 4th day of December, A.D., 1949

The sum of \$25,000.00 on the 4th day of December, A.D., 1950

The sum of \$25,000.00 on the 4th day of December, A.D., 1951

The sum of \$25,000.00 on the 4th day of December, A.D., 1952

The sum of \$25,000.00 on the 4th day of December, A.D., 1953

The sum of \$25,000.00 on the 4th day of December, A.D., 1954

The sum of \$25,000.00 on the 4th day of December, A.D., 1955

at the office of the Vendor, Administration Building, Edmonton, Alberta. The Purchaser shall be at liberty to pay the whole or any part of the purchase price at any time without notice or bonus.

The Purchaser covenants with the Vendor to pay to the Vendor said purchase price in the manner and on the days and times hereinbefore mentioned, together with interest on all of the said purchase price from time to time remaining unpaid at the rate of four per cent. (4%) per annum to be computed from the 4th day of December, A.D., 1945, and to be payable upon the same days as the principal of said purchase price is made payable until the full amount of the said purchase price has been fully paid and satisfied; if any instalment is not paid at the time and place specified, the entire amount of the principal and interest unpaid under the agreement shall become due and payable forthwith.

Title to the property shall not pass to the Purchaser until the entire purchase price and interest (and all costs and expenses) are fully paid in cash.

The parties hereto agree that for the purpose of this agreement, the oil separation and refining plant, machinery and equipment will be deemed to be chattels, and not fixtures, notwithstanding that the plant may be affixed to the land and premises upon which it is constructed.

No transfer, renewal, extension or assignment of this contract by the Vendor or any interest therein, or loss, injury,

confiscation or destruction of the property, shall release the Purchaser from his obligation hereunder, and the assignee shall be entitled to all the rights of the Vendor.

If the Purchaser makes default in any payment, or fails to comply with any condition of this contract, or any proceedings in bankruptcy, receivership or insolvency be instituted against the Purchaser or his property, or the property is confiscated or misused, or the Vendor deems the property in danger of misuse or confiscation, the full amount shall, at the election of the Vendor (notice of which election is hereby waived by the Purchaser) be immediately due and payable.

No condition, warranty, or representation has been made by the Vendor, its officers, or agents, unless endorsed hereon in writing. The word "property" wherever used in this contract, shall include any equipment, machinery, additions, alterations and repairs made to the plant by the Purchaser.

The Purchaser shall not at any time suffer or permit any charge or lien whether possessory or otherwise, to exist against the property, and shall keep the property free of all taxes, liens and encumbrances, shall not use it illegally or improperly, shall not remove it from its present location or dismantle the plant without permission of the Vendor, and shall not transfer any interest in the property of this contract.

The Purchaser agrees to insure the property against fire, in the joint names of the Vendor and the Purchaser, to the full extent insurable of the plant, and if the Purchaser fails to pay the premium or any of them, the Vendor may pay any premium and add the same to the amount of the purchase price. The proceeds of any insurance, whether paid by way of loss, injury, confiscation, return premium or otherwise, shall, at the option of the Vendor, be applied towards the replacement of the property or payment of this obligation.

Time is the essence of this contract, and if the Purchaser makes default in complying with any of the terms hereof for the space of three calendar months, or such further time as the Board of Trustees (referred to in the agreement attached hereto) shall determine, or if the property is confiscated or misused or the Vendor deems the property in danger of misuse or confiscation, the Vendor may without demand and without refunding any part of the purchase price already paid, take immediate possession of the property, and for such purpose the Vendor may enter upon any premises where the property may be, and remove it or may sell or dispose of the property without removing it.

The Vendor may re-sell the property so retaken at public or private sale with or without notice to the Purchaser and with or without having the said property at the place of sale, and upon such terms and in such manner as the Vendor may determine, and to that end may make such repairs as the

Vendor deems necessary. The Vendor may bid at any public sale. From the proceeds of any such sale the Vendor may deduct all expenses for retaking, repairing and selling the property, including the costs of the Vendor's solicitor as between solicitor and client, and the balance thereof shall be applied to the amount due. Any surplus shall be paid over to the Purchaser. In case of deficiency the Purchaser shall pay it, with interest at four (4) per cent.

It is agreed that the repossession and retention, sale or right thereto shall not affect the Purchaser's liability until full payment has been made in cash, or the Vendor's right to sue the Purchaser at any time for any moneys due and payable whether due and payable by reason of failure or default on the part of the Purchaser in fulfilment of any of the terms, conditions, covenants or provisions of this contract. The Vendor shall have the right to enforce one or more remedies hereunder successively or concurrently and such action shall not operate to estop or prevent the Vendor from pursuing any further remedy which he may have hereunder. Any provisions of this contract prohibited by law of any Province shall, as to that Province, be ineffective to the extent of such prohibition without invalidating the remaining provisions of the contract.

This agreement shall enure to the benefit of and be enforceable by the parties hereto, and their executors, administrators (successors) and assigns, respectively.

In witness whereof the Honourable Dr. W. W. Cross, Acting Minister of Lands and Mines has hereunto set his hand on behalf of the Province of Alberta, and this agreement has been executed under the corporate seal of Oil Sands Limited as attested by the hands of its proper officers thereunto duly authorized, the day and year first above written.

Signed on behalf of the Government of Alberta, by the Honourable Dr. W. W. Cross, Acting Minister of Lands and Mines, in the presence of H. J. Wilson.

W. W. CROSS

Signed and Sealed on behalf of Oil Sands Limited by L. R. Champion and G. W. G. McConachie, the proper officers of the Company duly authorized in that behalf.

OIL SANDS LIMITED  
L. R. Champion, Pres.  
G. W. G. McConachie,  
Director.  
[SEAL]

Canada  
PROVINCE OF ALBERTA  
To Wit:

I, William Warren Cross, Acting Minister of Lands and Mines for the Province of Alberta, of the City of Edmonton, in the said Province of Alberta, make oath and say:

1. I am the Vendor of the plant and chattels referred to in the within copy of the written agreement hereto.

2. That the copy of the within agreement truly sets forth the agreement between the parties mentioned therein, and that the agreement therein set forth is bona fide and not to protect the goods in question against the creditors of the said Purchaser.

Sworn before me at the  
City of Edmonton in the  
Province of Alberta this  
4th day of December,  
A.D., 1944. } W. W. CROSS

LUCIEN MAYNARD  
A Commissioner for Oaths  
in and for the Province of Alberta.

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Agreement made this 4th day of December, A.D., 1944.

Between:

Bitumount Holding Company Limited  
(hereinafter called the "Company")  
of the First Part,  
and

The Government of the Province of  
Alberta, represented herein by the Hon-  
ourable Dr. W. W. Cross, Acting Min-  
ister of Lands and Mines (hereinafter  
called the "Government")  
of the Second Part.

Whereas by Bituminous Sands Lease, Number 3, dated the 1st day of January, 1943, His Majesty the King in the right of the Province of Alberta, granted unto Lloyd Rogers Champion, the exclusive right and privilege to mine, quarry, work, remove and dispose of bituminous sands within and under that parcel or tract of land more particularly described in the said Bituminous Sands Lease, upon the terms and conditions therein set forth in detail.

And whereas by an agreement in writing dated the 4th day of December, 1944, between Lloyd Rogers Champion and the Company, Champion transferred and assigned to the Company on the terms and conditions therein set forth his right, title and interest in the said Bituminous Sands Lease, Number 3.

And whereas the Government is about to enter into two agreements bearing even date herewith providing respectively for the construction and for the sale by the Government and the purchase by Oil Sands Limited of a plant at

Bitumont, Alberta, for the separation and refining of oil from oil sands, hereinafter called the "Government Agreements".

And whereas the Government requires, first, additional security for the carrying out by Oil Sands Limited of its covenants and obligations under the Government agreements and secondly, that the oil sands within, upon or under 424.5 acres more or less, hereinafter described, shall be available for use by the Government, its successors and assigns, should Oil Sands Limited default in its purchase of the said plant and the Government repossesses the said plant and the Company has agreed to provide such security in this agreement and also to make provision in this agreement that the oil sands within, upon or under the said 424.5 acres more or less shall be available for use by the Government, its successors and assigns, in the event aforesaid.

Now therefore this agreement witnesseth:

1. In consideration of the Government entering into the Government agreements the Company covenants and agrees:—

(a) That it will and it does hereby as additional security for the carrying out by Oil Sands Limited of its covenants and obligations under the Government agreements, convey and surrender to the Government all of its right, title and interest under the said Bituminous Sands Lease, Number 3, in all the lands described therein, saving and excepting the following:

All those parcels or tracts of land, situate, lying and being in the Ninety-seventh (97) Township, in the Eleventh (11) Range, West of the Fourth (4) Meridian, in the Province of Alberta, Dominion of Canada, and being composed of:

All those portions of Section One (1) and the South-East quarter of Section Twelve (12) of the said Township, as shown upon a map or plan of survey of the said Township approved and confirmed at Ottawa on the Twenty-seventh (27) day of June, Nineteen Hundred and Sixteen (1916) by Edouard Deville, Surveyor General of Dominion Lands, and on file in the Department of Lands and Mines at Edmonton, and which portions lie to the East of the right bank of the Athabasca River as shown upon the said plan of survey containing Four hundred and forty-six and fifty hundredths (446.50) acres, more or less.

All that parcel or tract of land, situate, lying and being in the Ninety-sixth (96) Township, in the Eleventh (11) Range, West of the Fourth (4) Meridian, in the Province of Alberta, Dominion of Canada, and being composed of:

All that portion of the North half of Section Thirty-six (36) of the said Township, as shown upon a map or plan of survey of the said Township approved and con-

firmed at Ottawa on the Third (3) day of May, Nineteen Hundred and Sixteen (1916) by Edouard Deville, Surveyor General of Dominion Lands, and on file in the Department of Lands and Mines at Edmonton, which portion lies to the East of the right bank of the Athabasca River as shown upon the said plan of survey containing Two hundred and forty and ten hundredths (240.10) acres, more or less.

All those parcels or tracts of land, situate, lying and being in the Ninety-seventh (97) Township, in the Tenth (10) Range, West of the Fourth (4) Meridian, in the Province of Alberta, Dominion of Canada, and being composed of:

All those portions of the North-West quarter of Section six (6), Legal Subdivisions Three (3), Four (4), Six (6), Eleven (11), Thirteen (13) and Fourteen (14) of Section seven (7) and Legal Subdivision Four (4) of Section eighteen (18) of the said Township, as shown upon a map or plan of survey of the said Township approved and confirmed at Ottawa on the Eighteenth (18) day of August, Nineteen Hundred and Sixteen (1916), by Edouard Deville, Surveyor General of Dominion Lands, and on file in the Department of Lands and Mines at Edmonton, containing Four hundred and forty (440) acres, more or less.

The lands herein described containing by admeasurement One thousand, one hundred and twenty-six and sixty hundredths (1126.60) acres, more or less.

to the intent that the right of the Company in respect of the lands hereby conveyed and surrendered may merge and be extinguished in the freehold of the hereditaments.

(b) That forthwith when Oil Sands Limited has defaulted in the carrying out of any of its covenants under the Government agreements for the period of three (3) months or such further period as may be determined by the Board of Trustees referred to in the Government agreements and the Government has entered into possession of the premises described therein, it will convey and surrender to the Government finally and absolutely and without any right of redemption all of its right, title and interest under the said Bituminous Sands Lease, Number 3, in the following lands, namely:

All that parcel or tract of land, situate, lying and being in the Ninety-seventh (97) Township, in the Eleventh (11) Range, West of the Fourth (4) Meridian, in the Province of Alberta, Dominion of Canada, and being composed of:

All that portion of the South half of Section one (1) of the said Township, as shown upon a map or plan of survey of the said Township approved and confirmed at Ottawa on the Twenty-seventh (27) day of June,

Nineteen Hundred and Sixteen (1916), by Edouard Deville, Surveyor General of Dominion Lands, and on file in the Department of Lands and Mines at Edmonton, which portion lies to the East of the right bank of the Athabasca River excepting thereout the most northerly seventy (70) feet in width throughout thereof, containing One hundred and eighty-four and forty hundredths (184.40) acres, more or less;

All that parcel or tract of land, situate, lying and being in the Ninety-sixth (96) Township, in the Eleventh (11) Range, West of the Fourth (4) Meridian, in the Province of Alberta, Dominion of Canada, and being composed of:

All that portion of the North half of Section thirty-six (36) of the said Township, as shown upon a map or plan of survey of the said Township, approved and confirmed at Ottawa on the third (3) day of May, Nineteen Hundred and Sixteen (1916), by Edouard Deville, Surveyor General of Dominion Lands and on file in the Department of Lands and Mines at Edmonton, which portion lies to the East of the right bank of the Athabasca River as shown upon the said plan of survey, containing Two hundred and forty and ten hundredths (240.10) acres, more or less;

The lands herein described containing by admeasurement Four hundred and twenty-four and fifty hundredths (424.50) acres, more or less.

to the intent that the rights of the Company in respect to the lands so to be conveyed and surrendered may merge and be finally and absolutely extinguished in the freehold of the hereditaments to be so surrendered.

2. The parties hereto agree and declare that notwithstanding the said surrenders all the covenants and conditions in the said Bituminous Sands Lease, Number 3, shall continue in force in relation to the lands not surrendered, but that the yearly rental of One dollar (\$1.00) per acre payable by the lessee thereunder shall, after surrender, be payable only in respect of the lands not surrendered.

3. The Government covenants and agrees that when Oil Sands Limited has fully paid the purchase price of the said plant payable by it under the said agreement for sale by the Government and the purchase by Oil Sands Limited of the said plant the lands surrendered by paragraph I(a) hereof shall forthwith become and be again subject to the terms of the said Bituminous Sands Lease, Number 3, and included in the lands therein described and both parties agree that the yearly rental payable thereunder shall then again be One dollar (\$1.00) for each and every acre of land now described therein.

4. The Government hereby consents to:—

(a) The amendment of the sub-lease by Lloyd Rogers Champion to Oil Sands Limited dated the 21st day of April, 1943, as provided in an agreement in writing between Oils Sands Limited and Champion, dated the 30th day of November, 1944;

(b) The assignment by Champion to the Company of his right, title and interest in the said Bituminous Sands Lease, Number 3, as provided in an agreement in writing between Champion and the Company dated the 4th day of December, 1944.

In witness whereof Bitumount Holding Company Limited has hereunto affixed its corporate seal as attested by the hands of its proper officer thereunto duly authorized and the Honourable Dr. W. W. Cross, Acting Minister of Lands and Mines has hereunto set his hand on behalf of the Province of Alberta, the day and year first above written.

Signed and Sealed on behalf of Bitumount Holding Company Limited by L. B. Champion and Ruby Champion, the proper officers of the Company duly authorized in that behalf.	}	BITUMOUNT HOLDING COMPANY LIMITED L. R. Champion, Pres. Ruby Champion, Secretary.
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Signed on behalf of the Government of Alberta by the Honourable Dr. W. W. Cross, Acting Minister of Lands and Mines, in the presence of H. J. Wilson.	}	W. W. Cross
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FIRST SESSION  
**TENTH LEGISLATURE**

9 GEORGE VI

1945

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**BILL**

An Act to confirm Order in Council No. 1885-44 dated the 6th day of December, 1944, authorizing the execution of certain Agreements Between the Government of the Province of Alberta and Oil Sands Limited and Bitumount Holding Company Limited.

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. FALLOW.

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EDMONTON:  
A. Shnitka, King's Printer  
1945