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College, Alaska 99708

Jay S. Hammond—Governor

Robert E. LeResche—Commissioner
Geoffrey Havnas—Deputy Commissioner

Ross G. Schaff—State Geologist

330 So. Franklin (Rm. 407)
Juneau, Alaska 99801*941 Dowling Rd.
Anchorage, Alaska 99502*1001 Porcupine Drive
Anchorage, Alaska 99501P.O. Box 80007
College, Alaska 99708*P.O. Box 7438
Ketchikan, Alaska 99901*

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*Mining information office

DGGS readying for oil and gas lease sales

By DGGS petroleum geologist Richard W. Kornbrath

The new DGGS tract evaluation group recently completed a geological and geophysical analysis of state acreage being offered in the Upper Cook Inlet oil and gas lease sale, No. 33. This sale includes 202 tracts totaling 815,000 acres, both onshore and offshore. The sale is scheduled to be held in Anchorage on May 13 at the International Banquet House, 549 W. International Airport Rd.

Lease-data analysis

The State purchased 1,720 miles of seismic data for the sale for about \$750,000. Geophysicists James Hansen, Don Krouskop, and John Meyer interpreted these seismic data and constructed seismic time maps at a scale of 1 in. = 8,000 ft for four horizons: basement (pre-Tertiary), and the tops of the Hemlock, Tyonek, and Beluga Formations. Depth maps were then completed over prospective tracts.

Over 200 Cook Inlet wells were examined by DGGS petroleum geologists Bill Lyle and Rich Kornbrath and used to construct structure and isopach maps

at a scale of 1:250,000. Next, a computer economic analysis was done by the Division of Minerals and Energy Management (DMEM). The findings and recommendations of the group were presented to Commissioner LeResche on March 17 to aid in his selection of bidding methods for the May 13 sale.

Bidding

Bids will be accepted at DMEM, 703 W. Northern Lights Blvd, Anchorage, on May 12, between 8 a.m. and 4:30 p.m. and at the International Banquet House between 8 and 9 a.m.; they will be opened between 9 and 10 a.m.

The bidding method will be royalty bidding with a minimum bid of 20 percent and a fixed cash bonus of \$10 per acre. Tracts that are within or partially within state game refuges will have a primary lease term of 10 years; all other tracts will have a primary lease term of 7 years.

Future Sales

The tract evaluation group, which has a new geophysicist, Sonja M. Weum, is continuing seismic interpretation work on the Kenai Peninsula sale (No. 32), which will be held August 25. Data are also being acquired for both

the lower Cook Inlet sale (No. 35) to be held January 19, 1982, and the Prudhoe Bay Uplands-Second Beaufort Sea sale (Nos. 34 and 36), which is scheduled for May 26, 1982.



Large-scale mining seen turning north
(from *Fairbanks Daily News-Miner*, Mar. 25, 1981)

Large-scale mining will begin in Southeast Alaska, says the man responsible for guiding the state's interests in mining, but eventually the real action will be in the Interior.

"This is truly elephant country when it comes to resource development," John Sims, director of the new Office of Mineral Development, told the Fairbanks Chamber of Commerce Tuesday.

Sims outlined many benefits for Alaska from large-scale mining, but he warned that "we must get over some very parochial attitudes" in preparing for that day.

Sims' office is part of the Department of Commerce and Economic Development, and he stressed that his office is intended to influence state policy, not regulate the mining industry.

"I support the need for regulations," he said. "To say otherwise is to turn anarchy into chaos." But he went on to warn against the current mood of "overregulation" in the state government.

Large-scale mining will move slowly north during the next decade, Sims predicted, starting from the U.S. Borax molybdenum discovery at Quartz Hill.

The \$22.5 billion worth of minerals that will come out of the open-pit mine there will provide substantial employment for the Ketchikan area over the mine's 70-year life, Sims said.

Farther north, at Green's Creek on Admiralty Island, another 350 jobs will be created for the Juneau area by an underground mine that will extract a number of base and precious metals. Sims said the deposit of 3 or 4 million tons is "quite small" by industry standards.

Anaconda's copper deposit near Ambler is the closest thing in the future of the Interior right now, Sims said, but a belt of copper, lead, zinc, and precious metals on the north side

of the Delta Mountains may provide another new mining venture.

Development plans are also "well advanced" for the asbestos deposit near Eagle, he added.

With major mining development in the Interior, Sims predicted, extension of the Alaska Railroad into Canada becomes a real possibility—but with a new wrinkle for Alaska. Rather than exporting all minerals down the railroad extension through Canada, Sims believes a railroad extension would bring minerals from the Yukon Territory to Alaskan ports for export.



Ex-miners miss the diggings
(from *Fairbanks Daily News-Miner*, Mar. 27, 1981)

Two old timers from Alaska have decided retirement is not for them and are heading north again to try their luck on prospecting.

Fred Bryant, 69, and his partner, Ken Charlesworth, 64, have built a huge dredge to mine gold and other precious metals from the rivers of Alaska and the Yukon.

"There's a fortune in minerals still sitting up there waiting for someone with the right machine to bring it up," said Bryant.

The two, who operated a business in Alaska for years, stopped off in Winnipeg to make adjustments to their dredge's trailer. They intend to use the dredge for the next three or four years to recover gold left behind by conventional mining in the north. A couple of years ago they obtained plans for a dredge and set to work building it in Minneapolis, Charlesworth's hometown.

"Because the season is limited by the weather to about 100 days, we hope to work around the clock," he said.



The Alaska Lands Act: How it will affect oil and gas exploration

(from *Anchorage Daily News insert*, Mar. 1981)

The Act contains an oil and gas study provision for the coastal plain of the Arctic National Wildlife Refuge. To facilitate this study, a one million acre area is excluded from the Refuge's wilderness classification. The study includes wildlife assessments and oil and gas seismic exploration followed by a report to Congress in five years. In addition, a study of wildlife, wilder-