

Territory of Alaska
Department of Mines

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TDM BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - Kendrick Bay Mining Company, Climax Molybdenum Co. subsidiary, has shut down its uranium mine on Bokan Mountain for the winter. By the end of October, four barge loads of ore were scheduled to be shipped from Kendrick Bay, and the fifth (and last) barge load was to go in early November. Shipment is through Seattle to the new Ford mill near Spokane.

SECOND DIVISION - The U.S. Tin Corporation mine, 90 miles northwest of Nome, was scheduled to be sold at public auction on October 30 as a bankrupt concern. The sale was ordered to satisfy a court judgement against the company. The Government foreclosed on the mine in 1954 because of failure to repay assistance loans and other reasons. The mine did not actually shut down until late 1955, however.

FOURTH DIVISION - Fifteen years after the dispute and twelve years after the case was first filed in court, a jury decided a civil suit against the Mike Stepovich estate in favor of the North Star Mining Company, plaintiff. Plaintiffs argued that they hit a paystreak on a placer claim leased from the elder Stepovich, now deceased, and that he then had the U.S. Marshal close them down. Damages in the amount of \$26,802.12 were awarded the plaintiffs to compensate for profits from gold they would allegedly have mined.

OIL NEWS

The best source of Alaskan oil news we have seen is The Alaskan Scouting Service, a periodical report by John R. Roderick. The Alaska address is Box 2278, Anchorage, but correspondence should be addressed to 5240 University Way, Seattle 5, Washington. The Alaska Scouting Service gives complete details on all wells and exploration projects including names of contractors, exact locations, drilling depths and technical data, amount of casing used, people in charge, geologists, and all other pertinent information. It describes the various unit areas, tells who is filing for what leases, gives numbers of leases issued, tells what oil men are stationed there, and anything else that anyone following the oil business in Alaska might want to know. For Alaskan oil news, it can't be beat.

Standard Oil Company and Richfield have announced a \$30,000,000 joint exploration program for their lands on the Kenai Peninsula. Standard will be the actual operator of the program. In 1954, it signed an oil development agreement with the Department of the Interior involving 750,000 acres of Kenai Peninsula land.

A NOTE ON PROSPECTING

An experienced exploration man recently surprised us with the statement that helicopters had one real disadvantage in prospecting. He went on to explain his statement by telling us of his operations for the past year. One of his crews was working with a helicopter and found nothing of promise. His other crew in a different section had to climb the mountains because they had no helicopter, but they did

make a promising find. They made this find in a place where, according to our friend, they would never have been if they had been working the country with a helicopter.

This goes to prove again what we have said many times: that all the modern equipment in existence will not replace the prospector on foot. It only gives him extra tools to work with. Somebody still has to cover the ground on foot to make the discoveries. Helicopter parties are mostly investigating only the exposed areas on beaches, above timberline, along streams, and around old prospects and outcrops. There yet remain the areas covered with timber and overburden to be systematically prospected. Possibly this will be done only in the future with new and improved methods and instruments, but it will almost certainly be done on foot.

PROSPECTORS AND GAME

Section 46.11 of the Alaska game law states that prospectors may take animals, birds (except migratory birds) or game fish anywhere at any time for food when in need and other sufficient food is not available. An emergency must exist and it must not be of the prospector's own making.

Some misunderstandings of this law have arisen from time to time, so we thought we would try to clarify a few points. Each case, of course, would have to be decided on its own merits, but we can make some general statements. If a person takes sufficient supplies into the bush, or makes arrangements to have sufficient food delivered to him, and said supplies are lost and he is beyond reasonable reach of roads or airlines, then it would very probably be an emergency. If a person deliberately fails to take sufficient supplies for the time he intends to stay, he has created his own emergency and would probably be held for any game killed or for intent to break the law. Whether the absence of meat in an otherwise sufficient food supply would be classed as an emergency is open to question. We doubt it. If a person can reach a road or settlement in a few hours' time by walking, boat, or other available means of transportation, an emergency can hardly be said to exist. These points should answer most questions on the subject.

NEW USES FOR ALUMINUM

Aluminum will now be used for one-quart motor oil cans. Reynolds Metals Company has signed a contract to furnish 35,000,000 of these cans to Esso Standard Oil Company. The advantages of the new aluminum oil cans are as follows: (1) they are light so that freight costs will be lower, (2) they are bright and attractive and will take brightly-colored inks, and (3) they are redeemable from the service station operator for a refund. The latter feature will encourage the prompt return of the cans, preventing the cluttering up of the station and the unsightly mess of rusting cans along highways. They will be crushed in a special machine and returned to Reynolds for salvage.

American Can Company has created an aluminum division for research on low-cost methods of manufacturing aluminum cans. Canco reports that their tinplate costs have increased 91% in the past ten years.

An all-aluminum box car has been built by Reynolds, and also a number of aluminum gondolas for mine railroad use.

Foamed aluminum shows promise as a substitute for lumber in numerous construction uses. It is fireproof, corrosion proof and rigid. It can be sawed, nailed, cemented, or bolted. Lithium aluminum hydride is one of the compounds which is used

in foaming the aluminum, and the product is almost as light as balsa wood. The chief problem yet to be solved is mass producing it in pieces of exact dimensions.

AREAS FOR DETERMINATION OF SURFACE RIGHTS

The Forest Service has designated two more areas for the determination of surface rights on mining claims under Public Law 167 of July 23, 1955. One area includes all of Mansfield Peninsula on northern Admiralty Island lying north of an east-west line through Pt. Marsden on Chatham Straits and west of a north-south line through Pt. Young on Stephens Passage. It will be advertised in the Juneau Daily Alaska Empire starting November 20, 1957.

The second area is on the eastern part of Prince of Wales Island. In general, it includes the eastern half of Prince of Wales Island from Exchange Cove to Windfall Harbor and also includes all of West, Middle, Thorne and Stevenson Islands and the west halves of East and Blashke Islands. It will be advertised in the Ketchikan Daily News starting November 20, 1957.

A designated area south of Wrangell was described in our Bulletin last month. Upon request, we will furnish exact descriptions of any of these areas or inform claim holders if their claims lie within the boundaries.

OIL LEASING REVENUES

Since the date of the Richfield strike announcement, July 23, 1957, applications have been filed with the U.S. Bureau of Land Management for leases on more than 13,000,000 acres. This creates an initial rental revenue of \$3,250,000, 90% of which will go into the Alaska Treasury under Public Law 85-88. (PL 85-88 was approved, incidentally, just 13 days before the strike.) However, this pouring of cash into our Territorial coffers will not happen as rapidly as most people expect. In fact, it may seem agonizingly slow to many. We do stand to gain in the long run by this money being paid into the BLM, but it will not come our way until the lease applications are actually adjudicated and granted. By experience, the BLM has found that one adjudicator can handle an average of 70 applications per month, and they are seriously short of adjudicators. There are currently over 3,500 applications waiting for action in Anchorage alone. The time required to clean up this backlog of work will depend on an improvement in the handicaps under which the BLM is operating - mainly personnel ceilings and insufficient appropriations.

PROPOSED OIL LEASING REGULATIONS

New regulations are being proposed for oil and gas leasing on wildlife lands by the Department of the Interior. Leasing on Alaska wildlife lands would be under the joint administration of the U.S. Bureau of Land Management and the U.S. Fish and Wildlife Service. It would be the responsibility of these two agencies to determine any areas in which leasing would be prohibited, and to see that leasing on the remaining areas is done under such stipulations as are considered necessary to protect the wildlife resources. Leasing will not be forbidden on any wildlife lands where it is determined by the Government that the lands are being drained of oil and gas by nearby wells. The proposed regulations were published in the Federal Register on October 11. Thirty days from date of publication were allowed for the submission of written comments or objections.

DMEA ASSISTANCE CUT

It has been announced that DMEA assistance in the exploration for 14 minerals has been cut from 75% to 50%. These 14 minerals reduced to 50% participation are as follows: chrysotile asbestos, columbium, corundum, industrial diamonds, strategic kyanite, mercury, monazite and rare earths, platinum-group metals, piezo-electric quartz crystals, tantalum, thorium, tin, tungsten, and uranium. Still eligible for 75% assistance are: antimony, beryl, cobalt, manganese, strategic mica, nickel, rutile-brookite, selenium, and block steatite talc. In addition to the above newly-classified 50% commodities, there are also in the 50% category: bauxite, cadmium, chromium, copper, fluorspar, crucible-flake graphite, lead, molybdenum, and zinc.

MISCELLANEOUS

Canadian gold stocks are still holding up well in Toronto while the other stocks continue to slide.

A new use for lead is in a rechargeable miniature lead dry-cell battery. Called the Mighty Midget, it was developed for the Navy, and is no larger than a half-dollar. It delivers 9/10 of a volt with a capacity of 1-1/2 amp hours.

The U.S. Civil Service Commission has announced a new examination for Geologist in the grades of GS-5 and 7. Applications must be on file with the U.S. Civil Service Examiners, Geological Survey, Washington 25, D. C. not later than December 3, 1957. The examination may be taken in any of the major towns of Alaska.

A world authority on gold and currency, Dr. Franz Pick, predicted at the recent AMC convention that when the present shrinkage of the U.S. dollar's value runs its course, there will be a terrific depression and the government will then increase the price of gold to help cover the paper money and pay its debts. However, the gold miner, Alaskan variety, can hardly be expected to "sit it out" until Pick's prophecy comes true.

E. AND M. J. METAL MARKET PRICES

	<u>Oct. 24,</u> <u>1957</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	26.4¢	26.5¢	35.8¢
Lead, per lb.	13-1/2¢	14¢	16¢
Zinc, per lb.	10¢	10¢	13-1/2¢
Tin, per lb.	91-1/4¢	93.5¢	112-1/4¢
Quicksilver, per flask	\$231-235	\$244-247	\$254-256
Silver, foreign, New York	90.6¢	90.6¢	91-3/8¢
Silver, domestic, per oz.	90-1/2¢	90-1/2¢	90-1/2¢
Nickel, per lb.	74¢	74¢	64-1/2¢
Molybdenum, per lb., in con.	\$1.18	\$1.18	\$1.18
Platinum, per oz.	\$81-87	\$81-87	\$103-108
Titanium ore (Ilmenite) per ton	\$26.25-30.00	\$26.25-30.00	\$26.25
*Tungsten ore, per unit	\$55.00	\$55.00	\$55.00
**Chrome ore (48%, 3 to 1 ratio) per ton	\$115.00	\$115.00	\$115.00

*GSA tungsten purchasing presently suspended.

**GSA guaranteed stockpile price. Not quoted by E. & M. J.