Territory of Alaska
Department of Mines

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MINING ACTIVITIES

SECOND DIVISION - The U. S. Tin Corporation mine at Lost River was sold at auction on October 30 to the General Services Administration for the amount due the government by the bankrupt corporation. The only other bid was considered too low. The amount of the mortgage was $2,760,202.71, which added to unpaid interest and foreclosure expenses makes a sum of $2,985,000 owed on the property. It is assumed that GSA would be glad to entertain any offers to purchase the property for something approaching that sum. The corporation's counter suit against the government was settled out of court - both parties consenting to settlement by judgment.

THIRD DIVISION - The MacLaren River Copper Corp. has reorganized and has placed stock on sale to finance exploration activities. President of the company is Fred S. Pettyjohn, one of the original stakers. This company took the property over from the Alaska Freight Lines' mining subsidiary. Present work consists of drifting on the vein and diamond drilling to develop the ore at depth. The property is on MacLaren River upstream from where the river is crossed by the new Denali Highway from the Richardson Highway to McKinley Park.

COAL NEWS

It looks as if the mine-mouth power plant we have been hoping for so long is finally in the planning stage. A Portland consulting firm has announced that they are to prepare preliminary designs for a six-million dollar steam-electric plant to be located in the Healy River coal field. Golden Valley Electric Association of Fairbanks will own the project. The Healy River field is about 100 miles southwest of Fairbanks.

The news release did not state the proposed capacity of the plant, but $6,000,000 should build at least a 20,000 KW plant in Alaska. The TDM has always been of the opinion that this type of plant is the best for the economic development of Alaska where the coal mines are within reasonable transmission distance of the existing or proposed area of consumption. The initial cost is much lower than a hydro setup, and it provides a steady payroll in the mines which means more jobs for more men and keeps more money in circulation over a long period of time. This six-million dollar plant, if it is carried through to completion, will very likely produce as much power as the Eklutna hydro plant, and Eklutna cost $36,000,000. The money saved will keep a fair sized coal mine or two going for a long time.

While on the subject of power, we might note that we have learned that the power from the first commercial reactor at Shippingport will cost around 65 mills per KW. This is expected to be reduced greatly in succeeding reactors, but there is most certainly many years of research to be done before the cost can be reduced to the 7 mills that people are inclined to predict.

Best wishes for the approaching holidays
from the TDM staff.

OIL NEWS

The U. S. Bureau of Land Management states that since the Richfield oil strike on July 23, 1957, applications for leases on over 16 million acres have been received. Before that time, eight million acres were under application, much of which has been granted.

According to a late news release, it sounds as if the BLM will be able to accelerate the processing of applications in the near future. Director Woozley in Washington has authorized money for additional personnel, and personnel from other activities are being detailed to the Anchorage and Fairbaks land offices to help with the work.

After a temporary halt for winterizing last month, Humble Oil and Refining Co., resumed drilling and is now below 4,000 feet in their Bear Creek Unit Well No.1.

Colorado Oil and Gas Corp. is below 9,750 feet in their second hole near Yakutat.

In their second well, Richfield Oil Corp. is already below 4,300 feet. Their first well, a producer, is presently capped awaiting further exploration on the Kenai Peninsula.

PLO 82 FINALLY REVOKED

After several years of urging and waiting by the Territory of Alaska and private industry, the Gubik gas field and other adjoining Arctic areas withdrawn in addition to the Pet 4 reserve by PLO 82 in 1943 will soon be open to private mineral exploration and the staking of mining claims. Secretary Seaton has signed the notice of intent. The Federal Register of November 22 carries the notice, which gives the proposed rules and regulations for exploration, and comments may be submitted for 30 days from that date before the proposals become final. Included in the notice is a provision which will withhold the eastern-most 5,000,000 acres of the area as part of a 9,000,000-acre wildlife range requested by the FWS. The released area amounts to about 20,000,000 acres, and lies mostly east and west of Pet 4.

The complete original withdrawal, including the Naval Petroleum Reserve No. 4, was 48,800,000 acres. It included everything north of a line running westerly from the Canadian boundary at a point between the north and south forks of the Firth River to and along the crest of the Brooks Range and De Long Mtns. to Cape Lisburne on the west coast. This line is roughly 150 miles north of the Arctic Circle. The area described will now be released with the exception of Pet 4, a two-mile strip surrounding it, and the 5,000,000-acre wildlife range area mentioned above which lies between the Canning River and the Canadian border. Pet 4 contains about 23,000,000 acres, and is not affected by the order. It is bounded by a line running south from Icy Cape to the crest of the mountains between the Noatak River and the Arctic Ocean watershed, then eastward along the crest of this range to a peak at the head of Midas Creek, then north to the west bank of the Colville River, then down this bank to the Arctic Ocean.

The lands to be released will remain closed to all forms of disposal under the public land laws, but will be open to mining location and mineral leasing, as explained here. Proposed regulations are quoted from the Federal Register as follows:

> "a. That the lands, or portions, thereof, will become subject to oil and gas filings only as leasing maps are from time to time prepared, and a notice or notices of the time and place of filing of such maps and of

the availability of the lands for leasing are published in the Federal Register.

b. That such notices will describe the lands subject to filing, will provide for a simultaneous filing period, (in the case of noncompetitive filings), and will specify the rules to be observed by each applicant for a lease.

c. That no lease will be issued for lands within two miles of the exterior boundaries of Naval Petroleum Reserve No. 4.

d. That the lands will be opened to mining location under the United States mining laws at 10:00 a.m. on September 1, 1958.

e. That leasing maps will be filed and notices published within approximately 60 days after issuance of the formal order of modification, of the availability for competitive leasing or approximately 16,000 acres of lands within a known geologic structure as defined by the Geological Survey, and of approximately 4,000,000 acres, non-competitively, of lands not within such a structure. Additional leasing maps will thereafter be filed and notices will be published from time to time of the availability of other lands for leasing as the public interest might require."

It is expected that the competitive bidding on the Gubik gas field will start about next April first. A proposed 16-inch pipeline from Gubik to Fairbanks would be about 465 miles in length and would cost an estimated $46,000,000. If this proposal works out, it will be a great step forward in Alaska's development.

ANOTHER WILDLIFE RANGE PROPOSED

The press release announcing the revocation of Public Land Order No. 82 also announced that the U.S. Fish and Wildlife Service has requested withdrawal of a 9,000,000-acre area in Alaska's northeast corner for a proposed Arctic Wildlife Range. It will include the earlier-mentioned 5,000,000 acres in the PLO 82 area, and also 4,000,000 more acres to the south, extending as far as 140 miles from the Arctic Ocean.

It is stated that ".....mineral leasing would be permitted after next September 1, as would mining operations." Entry under the mining laws (staking claims) is not mentioned. Secretary Seaton states in a separate prepared statement,"...... we intend to submit to Congress legislation to authorize metalliferous mining under a permit system. At the present time mining can only be conducted under the existing law which would lead to patent of the surface to the mining claimant who had perfected his claim. If Congress does not enact legislation to permit mining under the permit system, we will have to reconsider the opening of this area to mining activities." This means that the Department of Interior is going to try to get legislation passed for an arrangement under which prospecting there will be by permit only, and then leasing to follow if a discovery is made. It might be argued that this would be better than no hardrock prospecting at all, (which is what we have in other animal ranges) but it certainly is not much better, for what prospector will take out a permit to prospect when he knows that if he finds anything he must then go through the red tape, delays, and uncertainties of getting a lease so that he can mine or turn it over to a company. This is the same thing that had to be fought to a standstill at the Alaska Constitutional Convention when the delegates were advised by public service "experts" that it should be included in the Alaska Constitution. It is a system that will discourage, rather than encourage, mineral development, and if started in one place, may be spread to others by those who are not interested in fully developing the Territory's resources.

Prospecting and mining can be conducted without hurting the wildlife. If it is true that the reason a permit system is desired by Interior and the FWS is that they are afraid of patents, they might take heart if they would check on patenting records and see how few Alaskan claims ever get to patent. It is a slow and very expensive process, involving much more than merely "perfecting the claim." Also, if the permit system is not obtained, it might be years, and perhaps never, that anything would be done about opening it up under the mining laws.

An inconsistent provision in the proposals is that this wildlife range will be left open to hunting and trapping under the existing law. We realize that the pressures from the conservationists and sportsmen are growing greater by the month, and this idea of restricting prospecting and mining in the guise of protecting wildlife while leaving it open to hunters and trappers certainly looks like an effort to create a 9,000,000-acre playground at the expense of possible industrial development for Alaska. As the Wildlife Management Institute says in its bulletin, "Certainly the inclusion in an Arctic wildlife range of pristine wilderness abounding with many fine specimens of wildlife would assure rewarding opportunity for all adventuresome Americans." If this thing goes through, it will bring the total acreage of wildlife ranges and refuges closed to entry under the mining laws in Alaska to over 17,000,000 acres.

Concerning oil developments in the area, a hearing is to be held on December 9 in Washington, D. C. to consider proposals for the regulations and restrictions on oil exploration and production in wildlife ranges. Whatever restrictions are adopted as a result of this hearing will be applicable to the proposed Arctic range. We endorse a statement in a report to the Interstate Oil Compact Commission by the chairman of its Public Lands Committee which is quoted as follows: "We fail to see the reason or the necessity for setting aside 5 million acres (the portion inside the PLO 82 area) for Wildlife purposes, when the land has not been explored and has not been mapped for possible Oil and Gas structures. The said 5 million acres may contain the greatest oil fields ever found in the world. We certainly oppose any such action as not only unwise but premature."

E. AND M. J. METAL MARKET PRICES

	Nov. 21, 1957	Month Ago	Year Ago
Copper, per lb.	26.5¢	26.4¢	35.7¢
Lead, per lb.	13-1/2¢	13-1/2¢	16¢
Zinc, per lb.	10¢	10¢	13-1/2¢
Tin, per lb.	89.1¢	91-1/4¢	110-3/4¢
Quicksilver, per flask	$225-230	$231-235	$255-257
Silver, foreign, New York	90.4¢	90.6¢	91-3/8¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
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	$26.25-30.00
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