

TDM BULLETIN

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MINING ACTIVITIES

SECOND DIVISION - Herk Edwards and Jack France are using a track loader in their sluicing operation on the Solomon River with good success. They use it for stripping overburden and digging bedrock to a depth of four feet as well as transporting material to the sluice box. They claim to have moved about 425 yards of gravel in 5 hours, and are generally well pleased with the machine.

THIRD DIVISION - A large contingent or "commission" of Japanese representing the big Japanese steel companies are due in Alaska in mid-August to investigate coal possibilities for export to their mills. Most of their attention will be directed toward the undeveloped Bering River coal field because of the coking-grade coal in that locality.

FOURTH DIVISION - According to a late news report on the famous Vernon Piek's prospecting in the Brooks Range, he is quoted as refusing to say what he is looking for in the Brooks Range, but that it is not uranium.

OIL NEWS

In three press releases from the office of the Secretary of the Interior, it is indicated that oil leasing is about to get under way again, and drilling will be allowed to proceed in open areas of the Kenai Moose Range. The Gubik gas field will be opened for competitive bidding, and leasing of lands beneath nontidal navigable waters will be allowed. Rental fees will be 50¢ per acre instead of 25¢ for all applications filed on or after May 3, 1958, thus insuring fair treatment for the earlier applicants. The Gubik field bids will be opened in Washington on September 3. Leasing maps are available from the U.S. Bureau of Land Management and from the Alaska Scouting Service. In some proposed changes to the Mineral Leasing Act, there will be stricter watch kept on the holdings of applicants for more land to see that no one has more than the law allows. Full details on all these changes will be published shortly in the Federal Register, and things should start to move soon.

A MODERN SERVICE FOR PROSPECTORS

We learned only recently of an arrangement between a natural resources consulting firm and an individual prospector that we think will interest other prospectors. It might be called a sort of modern, scientific grubstaking deal, though it costs the prospector some money at the start. The prospector of whom we speak obtained aerial photographs covering about 40 square miles of a certain area and submitted them to the company for photo interpretation. The company made a mosaic of the photos, and also made two transparent overlays to fit the mosaic. One overlay outlines all the bedrock outcrops in the area and the other one shows several areas considered to be geologically favorable because of structural features and/or rock type associations. There is also a written report with the mosaic that gives some general information about the country covered and considerable detailed information about each of the favorable areas.

A letter to the particular company involved for further details brought the answering comments from them that they ".....would hope to discourage individuals from taking on too large an area, but.....would certainly want to help them with some that they could actually handle," and that they ".....believe that by photo mosaics and overlays and a report written in simple but specific language, we can guide them throughout an area so that they will cover every significant outcrop or manifestation of mineralization."

The total price of having this work done might run anywhere from \$15 to \$50 per square mile by our own estimate. However, this is where the grubstaking part comes in. In the particular deal we are writing of, the prospector paid only one-third of the total price, and in exchange the company gets a one-third interest in anything discovered. Also, this company agrees to spend money in development of discoveries that show some real promise upon proper examination and evaluation.

There is, of course, more than one company in this business, and the arrangement outlined above should not be understood to be standard. Each deal would be negotiated under different circumstances. The prospector, if he is able, could pay for the work in full and not have to split any discoveries he makes. The whole idea is an extremely good one and should lead to some new discoveries. We will be glad to furnish the names of the few consulting firms we have on file to any interested prospectors.

WILDERNESS BILL HEARING HELD

The Senate Interior Committee held a one-day hearing on S. 4028 which would establish a National Wilderness Preservation System on public lands and exclude prospecting and mining. Large areas in Alaska would be automatically included, if the bill should pass. Julian Conover of the American Mining Congress stated to the committee: "Any measure which would deter further mineral development through the curbing of the ardor of the prospector would result in a great disservice not only to the Western States but to the nation as a whole." He also pointed out that Congress for the past several years "has explicitly required the encouragement of the multiple use and development of the natural resources of our public domain lands" and cited Public Law 585 (Multiple Mineral Development) and PL 167 (Multiple Use of the Public Lands). He said further, "We in the mining industry are unalterably opposed to the 'locking up' of natural resources of any kind from development for the public good.....we urge you to disapprove S. 4028." There will probably be no action on this bill this year, but the conservationists can be expected to continue working for its eventual passage.

P. L. 167 AREAS FOR DETERMINATION OF SURFACE RIGHTS

Five more areas have been designated by the U.S. Forest Service for the determination of surface rights on mining claims under Public Law 167 of July 23, 1955. These are in addition to many earlier areas within the Tongass and Chugach National Forests, all reported in earlier issues of the TDM Bulletin. Holders of claims staked prior to the date of the Act have 150 days from the starting date of publication to file verified statements if they wish to retain exclusive surface rights to their claims. Descriptions of the new areas follow:

Iyaukeen Cove Area: All land within a rectangle bounded on the south by a line through Cannery Point in Tenakee Inlet, on the west by a line through Cannery Point, on the north by a line through the north side of False Bay and on the east by Chatham Strait. Publication started July 9, 1958 in the Sitka Daily Sentinel.

Silver Bay Area: That portion of Silver Bay south of 57°00' north latitude, including the land within all the side drainages entering this portion of the bay. Publication started July 9, 1958 in the Sitka Daily Sentinel.

Deep Cove Area: All lands in the vicinity of Deep Cove, Mist Cove, Cliff Lake, Deer Lake and Fawn Lake on Baranof Island. Publication started in the Petersburg Press on July 11, 1958.

Red Bluff Bay Area: That portion of the west side of Baranof Island from Nelson Island south to an east-west line through the south end of Falls Lake and east to a north-south line through Rademaker Mountain. Publication started in the Petersburg Press on July 11, 1958.

Virginia Lake Area: All the mainland bounded by a line running from the mouth of the Stikine River up to Shuktuss Creek, then due south to a point 2 miles south of the Glacier Basin trail, then east to Aaron Creek, then south to Blake Channel, then along the shoreline to the Stikine River. Publication started in the Wrangell Sentinel on July 11, 1958.

CONGRESSIONAL ACTIONS

A long-awaited bill, H.R. 6785, to allow mining for iron ore in the Chilkat River (Klukwan iron) has been OK'd by a subcommittee of the Senate Interior Committee. It was passed by the House a year ago.

The House and Senate have both passed a bill to increase from 5,120 acres to 10,240 acres the total public coal lands which may be held in one State by a person or company under the Mineral Leasing Act. The bill is now in a conference committee to iron out differences of opinion on restrictions on railroad companies mining coal on public lands.

The House Interior Committee has approved a bill passed by the Senate, S. 4036, to "stabilize domestic production of copper, lead, zinc, fluorspar and tungsten." Under the present provisions of the bill, the government would pay 15.5¢ per pound for lead, 13.5¢ per pound for zinc, \$53 per ton for acid-grade fluorspar, and \$36 per unit for tungsten. Up to 150,000 tons of copper would be stockpiled at 27.5¢ per pound. Amendments have been added to include payments for beryl, chromite, and columbium-tantalum in limited amounts. The Assistant Secretary of the Interior has testified that the intended prices are higher than necessary. Mining testimony indicates that the prices are too low, but that the bill is a step in the right direction and the best that can be done at this time. The intent of the bill is to help protect those minerals which foreign imports have hurt the most.

S. 3817 is a bill passed by the Senate and now approved by the House Interior Committee that would provide assistance to miners in exploration for new mineral reserves. It would fill the function of the now-ended DMEA program. The bill would authorize Federal funds for exploration projects on a participating basis, and the Secretary of the Interior would decide what minerals would qualify for the loans. Applicants would have to show evidence that funds are not available from other sources at reasonable rates. Loans would be repaid as a royalty on the value of the production from the area covered by the contract.

Rep. Engle of California has introduced H.R. 13280 which includes all the provisions of the latter two bills discussed above, and appears the best of the bills to us. No action has yet been reported on it.

METAL MARKET NOTES

The badly weakening platinum market seems to be largely due to the recession in the oil business. Installation of new plants is being held up, and the demand for platinum, which is used as a catalyst, is greatly reduced. Perhaps the international situation will change this trend.

The market for beryl has practically disappeared. The AEC formerly purchased much of this mineral, which was in great demand a few years ago.

Another commodity which was in great demand a short while ago is lithium minerals. Almost no lithium ores are being sold in the U.S. today.

The small increases in copper and mercury prices are largely because of the Mid-East turbulence.

MISCELLANEOUS

Don't forget that it is safest to record your assessment work affidavits before September 29 at noon so that they will stand as legal evidence that the work has been done. If recording is not done by that date, it should then be done before January 1 to satisfy the new Territorial law. Our Information Circular No. 7 explaining this matter is still available on request.

The U.S.G.S. has moved its Anchorage offices from the Glover Building to the Denali Building at 4th and B.

We noted a paragraph in an address by Captain Mathew Carson, himself one of the top men in the Interior Department, which we like very much. He was addressing representatives of the oil companies on the matter of government control of oil production and export, and gave them the following advice, which we should all heed:

"I do not dread these corporations as instruments of power to destroy this country, because there are a thousand agencies which can regulate, restrain, and control them; but there is one corporation we may all dread. That corporation is the Federal Government. From the aggression of this corporation there can be no safety, if it is allowed to go beyond the bounds, the well-defined limits of its powers.....I beseech you to watch and guard with sleepless dread that corporation which can make all property and rights, all states and people, all liberty and hope, its playthings in an hour and its victims forever."

The U.S. Bureau of Mines has placed a report on open file concerning an investigation of the Hannum lead prospect in the Fairhaven District of the Seward Peninsula. In Alaska, the report can be seen at the Juneau (Douglas side of the Channel) U.S.B.M. station.

It may still be news to some that the Alaska Statehood Act amends a portion of the Merchant Marine Act of 1920 in such a manner as to repeal the feature commonly known as the Jones Act. This has prohibited for many years any foreign

shipping between the States and Alaska and between Alaskan ports. Certainly this will be one great benefit of Statehood. We have long maintained that the repeal of the Jones Act would do more than any other single thing to reduce costs in Alaska. Now we will see if we have been right.

E. AND M. J. METAL MARKET PRICES

	<u>July 31,</u> <u>1958</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	26.5¢	25.2¢	28.7¢
Lead, per lb.	11¢	11.5¢	14¢
Zinc, per lb.	10¢	10¢	10¢
Tin, per lb.	95.6¢	94.8¢	96¢
Quicksilver, per flask	\$233-236	\$228-230	\$255-257
Silver, foreign, New York	88.6¢	89.6¢	90.2¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Nickel, per lb.	74¢	74¢	74¢
Molybdenum, per lb. in con.	\$1.18	\$1.18	\$1.18
Platinum, per oz.	\$58-65	\$62-70	\$88-95
Titanium ore (Ilmenite)			
per ton	\$23-26	\$23-26	\$26.25-30.00
Tungsten ore, per unit	\$17-22	\$17-22	\$55.00
Chrome ore (48%, 3 to 1 ratio)			
per long ton	\$44-46	\$46-48	\$115.00

FURTHER OIL NEWS

Colorado Oil and Gas Company has set a 1280-foot string of surface casing and is presently drilling below the 1500-foot horizon in their No. 3 test well near Yakutat.

Anchorage Gas and Oil Company is drilling ahead at 5457 feet at their Rosetta No. 3 well at Houston.

Standard Oil of California and Richfield are preparing to drill their third test well in the Swanson River Unit in the Kenai Moose Range. These two companies are drilling ahead at 11,800 on their Deep Creek Unit Well No. 1 after plugging back and whipstocking at 11,755.

The U.S. Bureau of Land Management has a request before Congress for \$270,000 so that they can add 32 employees to the Anchorage and Fairbanks Land Offices. These employees are badly needed to take care of the backlog of oil and gas lease applications.

We would appreciate comments on the format of our TDM Bulletin.

