State of Alaska
Department of Natural Resources
DIVISION OF MINES AND MINERALS

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MINES BULLETIN

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DM&M NEWS

James A. Williams has been appointed Director of the Division of Mines and Minerals. Because of budget limitations, we will be short a mining engineer for the First Division for the next fiscal year. Richard V. Murphy, Petroleum Engineer is now on duty at our Anchorage office. He will be joined about September 1 by Philip R. Woodside, Petroleum ›logist. This will complete our oil and gas section until the growth of the industry ___es it necessary to acquire more personnel. We have changed the mailing address of our Anchorage office from a P. O. box number to 329 Second Avenue. Please use this new address in future correspondence with that office.

MINING ACTIVITIES

FIRST DIVISION - A total of 15 people are placer mining on or near Porcupine Creek, northwest of Haines, this year. Four or five separate operations are being conducted. Porcupine Creek was a producer in the early days, and was the scene of much activity and extensive construction of placer mining facilities at that time. This present activity is the most interest shown in the Porcupine for many years.

A contract has been let for the test drilling of the beach at Skagway for foundations for a proposed smelter. This project is under the guidance of Mr. Crowe-Swords of Vancouver, B. C.

FOURTH DIVISION - Activity is increasing in the Chandalar. Frank Birch, mining contractor from Spokane, is drifting on the Mikado Lode for the Little Squaw Mining Company, and will extend operations to the Little Squaw Lode at a later date. Ed Toussaint has his new mill complete and ready to receive ore from the Summit claim, where he has two miners working. Hugh Matheson is placer mining on St. Mary's Creek, near its confluence with Big Creek.

Something that may lead to new mining activity in the future is the formation of Alaska Steel Mills, Inc. of Fairbanks. The company is now producing reinforcing steel from scrap iron in Seattle, but expects to move the operation to Fairbanks when power becomes available there, probably next spring. It is understood that the hydro-electric plant being built at Chatanika at the end of famous Davidson Ditch (reported on in an earlier issue of the Bulletin) will furnish the power. Much scrap is available in the area, and an annual payroll of $500,000 is contemplated.

OIL NEWS

Senator Clinton Anderson (Dem.-New Mexico) indicates he is drafting a bill to increase the oil and gas lease rental rate on Federal public domain from 50¢ an acre to $1.00. Anderson was chiefly instrumental in passing legislation raising the Alaskan rate from 25¢ to 50¢ last year.

An operating committee representing 33 operators have pooled their acreage in the Koyukuk-Kateel Basin and are contributing to a 12,000-foot test well which is planned as soon as equipment can be moved in. The test will cost an estimated $2,000,000. It will be located on the Yukon near Nulato about 90 miles in from Norton Bay and 300 miles west of Fairbanks.

Commissioner of Natural Resources, Phil Holdsworth, is requesting the industry to suggest amendments to the Alaska Land Act before the next session of the State Legislature.

The Department of the Interior is considering releasing the 9,000 acres on the Gubik Gas Field structure that lies with the buffer zone adjacent to Pet 4 for competitive bidding. Colorado Oil and Gas Corp. is awaiting disposition of this land before drilling its Gubik acreage. Reportedly, the Military has made an informal offer to purchase gas from the Gubik Field at 75¢ per 1000 cu. ft.

Drilling News: Standard-Richfield completed their Swanson River Unit No. 4-A directional redrill at 11,460, and are reported to have a flow of 100 barrels per day. They are drilling No. 12-27 below 7,400 feet, and are moving the rig from No. 4-A Redrill to start drilling No. 32-15. Union-Ohio are below 11,350 feet in Kenai Unit Well No. 1. Anchorage Gas and Oil Development Co. is fishing at 6,000 feet in Rosetta No. 3 near Houston. Alaska Consolidated Oil is below 9,000 feet at Iniskin and is reported preparing to test. General Petroleum-Great Basins are below 6,000 feet already in their Becharof No. 1 Well in the Nushagak Basin.

NEW FISH AND GAME LAW REQUIREMENTS

Since we certainly can't explain the matter any more clearly than Chuck Herbert, we have lifted the following quoted paragraphs from his legislative report to the Alaska Miners Association. It all adds up to the fact that all miners must notify the Commissioner of Fish and Game of their water use plans. Such notification is simple to make, should be no hardship on anyone, and will avoid future difficulties.

> "Another provision of the law is similar. If any person or governmental agency "desires to construct any form of hydraulic project or to use any equipment that will use, divert, obstruct, pollute or change the natural flow or bed or any river, lake or stream or that will utilize any of the waters of the State or materials from any river, lake or stream beds, such person or governmental agency shall notify the Commissioner (of Fish and Game) of such intention prior to the commencement of construction, and the Commissioner shall acknowledge receipt of such notice by return mail." If the Commissioner so decides, in his acknowledgement he may require the submission of plans, etc.
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> "This particular provision was the subject of lengthy discussion and modification from the much more stringent provisions of the original draft of the bill. However, it does place an immediate and inescapable requirement on every miner (and very many others as well) to notify the Commissioner of Fish and Game of his use of water in his operation.
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> "The notification may be as simple as the following example:

Commissioner of Fish and Game
Alaska Office Bldg.
Juneau, Alaska

Dear Sir:

We operate a gold placer mine on Whadyucallit Creek, a tributary of Whodunit River in the Whatname Mining District.

We use the water from Whadyucallit Creek for stripping and sluicing operations from May through September of each year.

Very truly yours,

Upandown Mining Company

"The Commissioner of Fish and Game will acknowledge receipt of the letter of notification of water use and the Commissioner's letter will be proof of compliance with the law. It is pointed out, however, that the Commissioner may request additional information and may require the submission to him of plans for new construction. It is very doubtful if the Commissioner would or could demand an end to or modification of any existing water use, water right or waste disposal system."

The Commissioner of Fish and Game, Mr. C. L. Anderson, personally requested us to say here that he appreciates the notices he has received thus far and that he will continue to acknowledge receipt of notices as soon as possible.

ACCESS ROAD MONEY AVAILABLE

As reported in this Bulletin earlier, the First State Legislature passed a law authorizing the construction of roads into and within areas of the State believed to contain mineral resources of commercial importance. The intent of the Legislature is to open inaccessible areas of mineral promise whether any operators are active in the areas or not, and the intent is not to benefit any one operator. The State Public Works Department is to do the engineering on such roads, but the Division of Mines and Minerals must determine priorities among proposed roads and make recommendations to Public Works. At present, there is an appropriation of $50,000 available for use under the Act. Future appropriations will depend on future Legislatures. Two proposals are now under consideration, but we would be glad to hear from any one with carefully considered, reasonable ideas on the subject.

RECORDING PROBLEM

From time to time one of the recording precincts is left without a recorder, either temporarily or permanently, because of a resignation of the U. S. Commissioner. We then receive letters from the miners and prospectors of that area asking what to do about recording. At present, the Iliamna precinct is in this situation. The best advice we can give is that the location certificates and assessment work affidavits should be promptly filed for record in a neighboring precinct. If a note were to be made on each such

recorded document explaining why it was being filed in the wrong precinct, it would show good faith and would probably be of help to the claim holder should a contest arise over the claims in question.

MILITARY WITHDRAWAL

We reported in our April Bulletin that the Army wanted one particular area of 607,000 acres withdrawn for the shooting of missiles only, and that a Military spokesman has assured the Alaska Miners Association that prospecting and mining would be allowed during the summer months when the missile range would not be in use. We have lately re-checked the publication of the Army's request for withdrawal in the Federal Register, and find that although it is to be open to civilian use from March 15 to December 15, it is still to be closed to all forms of appropriation, including those under the mining and mineral leasing laws. That would pretty well restrict the "civilian use" to camping, hunt-g, and picnicking, for it would be illegal under the proposal to stake a claim or apply for an oil or gas lease, homestead, or homesite. Prospecting there would be sort of ridiculous.

Incidentally, the Army has requests in for two other withdrawals in the Fairbanks area, one of 256,000 acres between Eielson AFB and the above proposed missile range, and one of 572,000 acres south and west of Big Delta.

ETCETERA

Any of our readers interested in digging holes in glaciers can learn about it by purchasing Studies of Ice Excavation from the Colorado School of Mines, Golden, Colorado. The price is $2.00. It is a 90-page booklet on the subject and contains many illustrations. It covers some of the research work being done by the U. S. in excavating tunnels and rooms in the ice of an Arctic icecap.

We completed our list of consultants available to the mineral industry in Alaska (Information Circular No. 8) and sent copies to all who requested to be so listed. Copies are available to others who request them. Names, addresses, and consulting specialities will be kept on file for future revision of the list if there are more who desire to be on it.

A Bouguer gravity map of Alaska at 1" = 40 miles is for sale for a price of $50.00 by L. F. Ivanhoe, 2810 Elmwood Avenue, Bakersfield, California. For further information, write to Mr. Ivanhoe.

Inflation Note: In 1946, a new D-8 with blade was purchased at Nenana, including freight, for $12,500. Today, the same purchase would be quite close to three times that amount.

Core samples and well cuttings from the Navy's Pet 4 exploration project are now available for study at the USGS laboratory at 520 Illinois Street, Fairbanks. Because of limited space, prior arrangements must be made with the Alaskan Geology Branch of the USGS.

A state highway is under progress that will open up the upper Susitna country of the Cook Inlet region. Eventually, there will be a road all the way to Fairbanks along the railroad.

E. AND M. J. METAL MARKET PRICES

	July 23, 1959	Month Ago	Year Ago
Copper, per lb.	29.9¢	31.5¢	26.5¢
Lead, per lb.	12¢	12¢	11¢
Zinc, per lb.	11¢	11¢	10¢
Tin, per lb.	102.3¢	103.4¢	95.6¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	$76-80	$76-80	$58-65
Quicksilver, per flask	$236-238	$239-241	$233-236
Silver, foreign, New York	91.4¢	91.4¢	88.6¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	$3.10-3.20	$3.10-3.20	$3.00-3.10
Chrome ore, per long ton	$35-36	$35-36	$46-48
Molybdenum conc., per lb.	$1.25	$1.25	$1.18
Titanium ore, per ton	$23-26	$23-26	$23-26
Tungsten ore, per unit	$20-22	$20-22	$17-22