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

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MINING ACTIVITIES

FIRST DIVISION - The JOT Mining Co. of Oklahoma is proceeding with the mining of the Kendrick Bay uranium property on Bokan Mtn., Prince of Wales Island. Ore has been moved to the beach, but no shipments have been made to date.

A dozen good prospectors are taking the geophysical prospecting course at the Ketchikan Community College.

FOURTH DIVISION - The only underground coal mine presently in operation in Alaska is the Suntrana Mine in the Healy River Field. It has been modernized by installation of a conveyor belt which completely replaces the old haulage system. Mr. Kirkpatrick's coal mining machine is still being improved upon. It will now mine 15 tons per minute. The present problem is working up a conveyor that will carry the coal away from it at that rate. The machine is well engineered and well made, and cuts two overlapping 7-foot circles of coal, leaving an opening 12 feet wide by an average of 6+feet high. Charles Ledbetter is manager and Tom Cinkovich is superintendent.

Cripple Creek Coal Co. is loading out 800 tons of coal or more per day on its military contract. John Adams is superintendent.

Usibelli Coal Mine is only supplying its domestic market this year. Stripping was accomplished with hydraulics during the summer, and only a small crew is at the mine now.

THIRD DIVISION - Three strip coal mines are working in the Mantanuska Field at present: Evan Jones, Mrak, and the Pioneer Coal Mine. The Evan Jones underground operation and the Castle Mountain strip mine are not in production. The Evan Jones mine has changed ownership, and Mr. Al Horton is the new manager. The purchasing company is Western Reneline Corp. of San Francisco.

More work was done this fall in the Bering River Coal Field by the Jewell Ridge Coal Co. of Virginia, but the real investigation program has not yet started. This year, old workings were opened up and several tons of coking coal removed for testing purposes. Plans for accelerated work are moving ahead. The large Japanese export market is the goal of this exploratory work. Alaska now comes under the Mineral Leasing Act of 1920 instead of the old Alaska Coal Leasing Act of 1914. Any person or corporation may now hold 10,240 acres of coal land under lease with an additional 5,120 acres available upon economic justification.

OIL NEWS

On Oct. 29, two companies had nominated offshore state leasing areas in Cook Inlet on which they desire to bid. Others are expected. Size of tracts, advertising, and date of sale will follow closing of nominations. Sale date is tentatively planned for November 30. Areas nominated are made public as they come in to the State Division of Lands, but names of nominees are kept confidential. The leases will be competitive, and the rental rate for competitive leases is $1.00 per acre. Successful bidders will be determined by the highest cash bonus bids.

A fourth producer has been brought in by Standard of Cal. and Richfield. ...nson River Unit No. 32-15 is announced as having a capacity of 1300 barrels per day. ...is adds up to something over 2,000 barrels per day possible production from the Swanson River Unit. Standard had announced previously that a production of 3,000 barrels would be necessary to economically justify a pipeline to tidewater.

Pan American Petroleum Co. has completed a 1200-foot core hole in the Napatuk Development area 30 miles west of Bethel.

The voters of Anchorage and the Spenard and Fairview Public Utility Districts have awarded a gas franchise to the Anchorage Gas Corporation. Franchise terms require that gas be made available to consumers by December of 1961. At present, the corporation plans a double 12-inch line across Turnagain Arm from the Kenai Peninsula.

Two gas discoveries were announced within two weeks. The first was by Union and Ohio at their Kenai Unit Well No. 1, and the second was by Standard and Richfield at their Swanson River Unit No. 12-27.

It is reported that Colorado Oil and Gas is thinking in terms of a 16-inch gas line from the Gubik Gas Field if the negotiations for a military gas contract are successful.

Alaska Consolidated Oil Co. has suspended operations at 11,200 feet in its Iniskin-Antonio Zappa No. 1 and is re-entering Beal No. 1 (drilled by Havenstrite) for the purpose of a hydro-frac program.

Drilling News: Standard-Richfield drilling at 10,500 in SRU No. 12-27, waiting for production facilities at SRU No. 32-15 (11,982 feet), and preparing location for SRU No. 32-22 approx. 1 mile south of No. 32-15. Union-Ohio shut in Kenai Unit No. 14-6 at 15,047, and ready to spud No. 32-31 one mile north of 14-6. Anchorage Gas and Oil suspended for winter at Rosetta No. 4 at 1624 feet. General Petroleum-Great Basins went from 1,734 to 6,980 in one week in Great Basins No. 2. Richfield is building road to site near Yakataga and has rig on beach. Benedum and Associates are rigging up for Nulato Unit No. 1 in the Koyukuk Basin.

NEW STATE COAL REGULATIONS

Robert H. Saunders, DM&M Mining Engineer at College, is presently working at our Anchorage district office on drafting new State coal leasing regulations for, and with the help of, the State Division of Lands. These are the regulations under which the Division of Lands, with the advice of the DM&M, will issue and administer coal leases and prospecting permits on coal lands and prospective coal lands that the State may acquire. When finished in proposed form, the regulations will be distributed to anyone requesting them. There will then be an advertised public hearing in Anchorage at which interested persons may air their views or to which statements in writing may be presented. Taking the results of the hearing into consideration, the regulations will then be put in final form and adopted. The State plans to avoid selecting any land on which there is a Federal coal lease. Persons wishing copies of the proposed regulations should contact the Division of Lands at 333 "D" Street in Anchorage, or this office.

Proposed new State regulations for administration and disposal of tide and ...her lands are also "in the mill" and nearing completion in preliminary form.

ALASKA STATE MINERALS POLICY

In an editorial on page 83 of the October issue of the Engineering and Mining Journal a lot of blame for mining industry being driven to foreign countries is placed on some of the State governments. The editorial says: "Wouldn't it be refreshing if just one state in the Union would offer a five-year tax moratorium to help new mining ventures get on their feet as some of the Canadian provinces do?" We may have news for the E&MJ. Alaska has had for several years an exemption from the mining tax for 3 1/2 years from the start of production for new operations. We also have an Industrial Incentives Act which provides for tax exemptions up to 10 years for new ventures, including milling, which are not covered by the mining tax law, depending on the merits and amount of investment in each case.

A Canadian policy that Alaska should consider, however, is the construction of access roads--not first-class grade-A highways, but access roads suitable to travel with trucks that will open up the country. Right now, we are told that the Canadians are building a road from Dawson northeast to Fort McPherson. If you don't know where Fort McPherson is, take a look at a Canadian map. You're in for a surprise.

RUSSIAN IRON PURCHASES IN U. S.

A shipment of 2,500 tons of Russian pig iron has been landed in Detroit. It was brought by a Norwegian ship and was imported by Primary Industries, 120 Wall Street, New York City, a relatively new company. The pig iron was tested and found to be up to U. S. specifications. Budd Wheel Co. has bought 600 tons of the shipment, but other buyers are apparently still reluctant to purchase Russian products. Five hundred tons were also probably unloaded at Montreal.

News of the Russians picked up from Senator Gruening's party which just toured that country is that they have made tremendous strides in building huge dams for hydroelectric power. One small, but interesting, use to which they are applying their power is refrigeration with no moving parts. It is a reversed thermocouple process. When heat is applied to the two dissimilar metals of a thermocouple, an electric current is caused to flow. When a current is applied to the right combination of two dissimilar metals, they absorb heat and create refrigeration.

P. L. 167 AREA FOR DETERMINATION OF SURFACE RIGHTS

Another area has 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. This is in addition to many earlier areas within the Tongass and Chugach National Forests, all reported in earlier issues of the 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. Description of the new area follows:

Crow Creek Area: In general, all lands bounded on the north and west by the Chugach National Forest boundary, on the south by an east-west line through the southernmost point of Winner Creek, and on the east by a north-south line through a point 5 miles east of the junction of Winner and Glacier Creeks. Publication started Oct. 28, 1959.

NEW REPORTS

The USBM has published an open file report entitled "Recoverable Petroleum Reserves in the Umiat Structure, Naval Petroleum Reserve No. 4, Alaska." This report gives the results of a special study made in 1951 at the Navy's request. It estimates that 122 million barrels of oil can be extracted by primary production methods, and that

the total oil deposits are over 930 million barrels. The report contains contour and structure maps of the oil reservoir. It can be seen at USBM offices in Laramie, Wyo., Washington, D. C., and Juneau.

USGS Bulletin 1058-G, "Geology of the Mount Katmai Area, Alaska" may be purchased by mail from the Government Printing Office, Washington 25, D. C. for $1.00 or over the counter at 204 Denali Building, Anchorage. It may be seen at any of the Alaska USGS or State Division of Mines and Minerals offices.

USGS Bulletin 1039-C, "Haydite Raw Material in the Kings River, Sutton, and Lawing Areas, Alaska" may be purchased or seen as described above. The price is 75¢. Haydite is the term applied to a light-weight material used in making light-weight building blocks and concrete. Bloating tests by the USBM indicate that the material from each of the areas will be satisfactory for the uses mentioned. Reserves are estimated in the Bulletin, but further trenching and sampling are recommended.

The USGS has published six new geologic maps of the Norton Bay, Candle, Melozitna, Ruby, Unalakleet, and Nulato quadrangles. They include much of the Koyukuk Cretaceous Basin, which is a possible petroleum province. They are published in the Miscellaneous Geologic Investigation series and are referred to as follows: Norton Bay I-286, Candle I-287, Unalakleet I-288, Ruby I-289, Melozitna I-290, and Nulato I-291. Copies may be purchased at 75 cents each from the USGS at 520 Illinois Street, Fairbanks or over the counter at 204 Denali Bldg., Anchorage, and 111 Federal Bldg., Juneau.

TEI-678 is a USGS open file report entitled "Engineering geology bearing on harbor site selection along the northwest coast of Alaska from Nome to Point Barrow." It can be seen at 204 Denali Bldg., Anchorage.

TEM-976, "Geology of the Ogotoruk Creek area, Northwestern Alaska" can also be seen at 204 Denali Bldg., Anchorage, and at the Juneau office of the DM&M.

"Geologic Strip Map of Part of Kukpuk River, Northwestern Alaska" is now on open file by the USGS. It covers the Kukpuk for 27 miles east of its junction with the Ipewik River.

ETCETERA

The State has so far selected 300,000 acres. The land selected to date is in the Haines area, on the Kenai Peninsula, in the Matanuska Valley, and in the Chickaloon-Eureka area.

Eight years ago, 469 graduating mining engineers received their first degrees. This year there were only 208. We don't want to be an exclusive branch of the engineering profession, but if something isn't done, that's the way it will work out.

The Alaska Geological Society has elected Thomas R. Marshll, Jr. as its president. Meetings are held on the second Tuesday each month at 7:45 PM in the Z. J. Loussac Library in Anchorage. For further information, Mr. Marshall's address is Fifth Avenue at F Street, Anchorage.

We have a supply of copies of the printed record of hearings which were held in the Senate last June 19th on three Alaska mineral leasing bills, S. 1855, S. 1723, and S. 1412. Two of these bills were enacted, while S. 1855, the oil acreage bill, was vetoed by the President. We will be glad to send these hearing records to anyone who requests them.

A five-page article "Geology of the Ross-Adams Uranium-Thorium Deposit, Alaska" by E. M. Mackevett, Jr., USGS, is contained in the September issue of Mining Engineering, an AIME publication. This is the deposit now being mined by JOT Mining Co., as reported on page 1.

We still have a supply of "The Construction and Operation of Mining Camps in Northern Latitudes" by C. D. N. Taylor of United Keno Hill Mines, Ltd. Copies will be sent upon request.

E. AND M. J. METAL MARKET PRICES

	Oct. 29, 1959	Month Ago	Year Ago
Copper, per lb.	33.3¢	31.4¢	27.7¢
Lead, per lb.	13¢	13¢	13¢
Zinc, per lb.	12.5¢	12¢	11¢
Tin, per lb.	101.6¢	102.4¢	96.4¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	$77-80	$76-80	$55-60
Quicksilver, per flask	$222-225	$223-226	$232-235
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	$3.10-3.20
Chrome ore, per long ton	$34-35	$35-36	$44-46
Molybdenum conc., per lb.	$1.25	$1.25	$1.18
Titanium ore, per ton	$23-26	$23-26	$23-26
Tungsten ore, per unit	$22-24	$22-25	$15-22