

MINES BULLETIN

July, 1960

Vol. VIII

No. 7

MINING ACTIVITIES

SECOND DISTRICT - The Lost River Tin Mine on Seward Peninsula is again being offered for sale by General Services Administration. The property consists of patented lode mining claims, purchase option on additional claims, mill and camp buildings, installed machinery and equipment and related personal property. All bids must be submitted on "Invitation, Bid and Acceptance" form IOPRD-320, which describes the property, states the terms and conditions of sale and provides instructions on how to bid. Sealed bids will be received at GSA, Federal Office Building, Room 126, Seattle 4, Washington Sale No. IOPRD-320. U.S. Bureau of Mines I.C. 7871, Lode Mining At Lost River, Seward Peninsula, Alaska offers a complete study of this mine. The bill to pay \$1.40 per pound for lode-mined tin and \$1.25 per pound for placer-mined tin for up to 10,000 long tons of such tin for not more than a 10-year period has passed the Senate.

THIRD DISTRICT - According to the Anchorage Times - Surveying, sampling and testing has resumed on the molybdenum deposit discovered last year in the Hayes Glacier area, about 80 miles northwest of Anchorage. Exploration of the prospect began as early as possible this year with helicopter lifts into the area even before all the snow melted. The work is being done by Glacier Creek Mining Co. in preparation for a core drilling project this summer. It is reported that several large mining companies are studying the prospect.

OIL NEWS

Contracts totaling \$5,500,000 were awarded on June 22 to two outside firms for laying 82.5 miles of pipeline to transmit natural gas from the Kenai gas field to Anchorage. The contract calls for coating the 12.75-inch lines with anti-corrosion plastic and two inches of reinforced concrete where the pipeline will lie on the water bottom for a distance of 8.5 miles across Turnagain Arm. Field operations are scheduled to begin in July with completion of the pipe-laying before October. Alaska Pipeline and Natural Gas are arranging a \$16,800,000 bond issue toward financing the construction of transmission and distribution facilities.

A producing capacity of 700 to 800 barrels of oil per day has been announced for the second Soldotna Creek Unit oil well by Standard Oil Co. of California. The well is No. 32-4 and has a flow rate comparable to the discovery well, No. 41-4. A third well of equal production capacity has been brought in.

Seismic Exploration & Salmon Runs - The scheduling of marine seismic exploration during periods of least hazard to the salmon and other fisheries is an important conservation measure. Information on the timing of salmon runs so that periods of marine seismic exploration could be scheduled was obtained from the Alaska Department of Fish and Game. Areas where scheduling of marine seismic exploration is necessary are as follows:

- (1) Gulf of Alaska.
- (2) Upper Cook Inlet.
- (3) Shelikof Strait.



- (4) Bristol Bay.
- (5) Kotzebue Sound, particularly Hotham Inlet and Selawik Lake.

Protection is needed for the young salmon as they enter salt water and school in the bays, as well as the adults on their returning migration.

These two runs in almost all areas are overlapping, with the first pink fry appearing as early as March and the adult silvers and chums entering in numbers as late as November. Unfortunately, therefore, the salmon and seismic work are not compatible except for a period of from about October 15 to April 15. In general, in areas (1) through (4) these dates would be the best for marine seismic exploration.

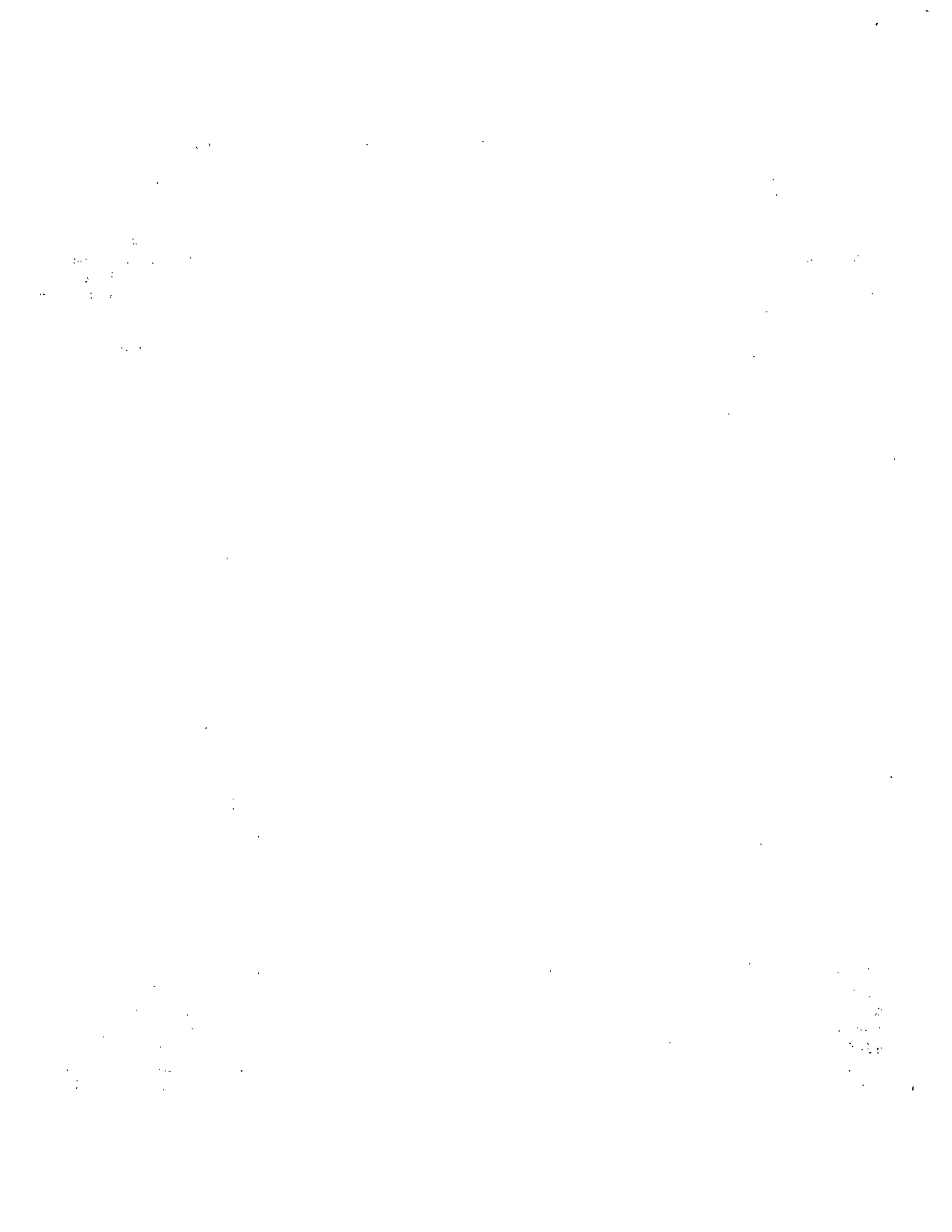
If more specific information as to the timing of the runs in each individual area is desired, it can be supplied.

Drilling News:

<u>Operator</u>	<u>Well Name &amp; No.</u>	<u>Status End of June</u>
SOCAL	SRU 32-33	TD 4,576', spudded 6-21-60, drilling
SOCAL	SCU 14-4	TD 8,657', spudded 6-5-60, drilling
SOCAL	SRU 14-27	TD 11,229', POW with calculated MER 700 - 800 BOPD
SOCAL	SRU 12-10	TD 12,029', DSI, tested 5-28-60 with perf. 3,900' - 4000' BHL 32-10 perf. 12-10, designated 12-10 as separate from Hemlock Zone
SOCAL	SCU 32-4	TD 11,119', POW with calculated MER with 700 - 800 BOPD
Richfield	Kaliakh River Unit No. 1	TD 14,699', suspended after testing several zones until completion of Kaliakh River Unit No. 2
Richfield	Kaliakh River Unit No. 2	TD 3,500', spudded 6-14-60, drilling
Benedum	Nulato Unit No. 1	TD 12,015', P & A 5-29-60
HALASKO	A O & M - King 24-21	TD 6,440', spudded 6-15-60, drilling

DM&M APPOINTMENT

Mr. Miro Mihelich of Juneau has been appointed as Mining Engineer at the Juneau office of this Division. His experience started in the mines in the Coeur d'Alenes where he worked for 10 years, then as an engineer in a magnesite mine at Chewelah, Washington, and then as an engineer for the U.S. Bureau of Mines working out of Spokane in exploration for various strategic minerals. He spent over six years in exploration work for a private mining company in several foreign countries, finally coming to Alaska to go back with the U.S. Bureau of Mines in 1953. Since then he has worked on various mineral exploration and examination projects in Alaska for the Bureau as project engineer. He resigned from the Bureau in December 1958.



## BERYLLIUM

A reliable method that can be used by any prospector to detect beryllium in concentrations as low as 0.013 percent is described in Bureau of Mines I.C. 7496. (Superintendent of Documents, Washington 25, D.C. - 15¢). The test was developed by the Bureau to spur hunting for beryllium, a promising structural metal for jet aircraft, missiles, and space satellites. Inexpensive chemicals and equipment required are listed. Beryllium metal of 97% purity is quoted at \$71.50 per lb. Domestic beryllium ore short ton unit of 10 to 12% BeO at \$46 to \$48.

The Department of the Interior announced a proposal to make additional types of asbestos and beryllium ores eligible for Federal exploration assistance.

Under present regulations only beryl and the strategic type of asbestos are eligible. Two other changes in the regulations (30 CFR 301) are proposed also to clarify the language in section 301.5 concerning the filing of applications and in section 301.15, title to and disposition of property. Interested parties have 30 days in which to comment on these proposed changes before they become effective.

Exploration assistance is available through the OME to qualified operators who wish to explore for any one or more of the 32 mineral commodities listed in the OME regulations.

Application forms and additional information about the program may be obtained from the following offices:

The Office of Minerals Exploration, Department of the Interior,  
Washington 25, D. C.

OME - Region I - South 157 Howard Street, Spokane 4, Washington

## GOLD

Even with amendments to the Murray Gold Bill (S590) and the similar companion bill by Rep. W. Baring of Nevada, the U.S. Treasury has turned thumbs down on any subsidy for domestic gold miners, regardless of the amount per ounce. The amended bills pointed out more clearly that these are subsidy bills, but the treasury says that the objections contained in its original report on S. 590 still hold good.

An editorial in the June issue E. & M. J. on the Discipline of Gold in the 'New Era' by Elliott V. Bell, editor and publisher of Business Week said the U.S. faces a "new and critical era."

Principal reason, he said, was the persistent drain on gold and dollar assets required to settle deficits in international payments. During the 1949-58 period these deficits averaged about \$1.5-billion per year. In 1958, he said, the deficit suddenly jumped to \$3.4-billion, and in 1959, to \$3.7-billion. Further comment by Mr. Bell is quoted as follows:

"The United States program of international assistance has been, in effect, like a huge pump-priming program, conducted on a global scale. It has financed a tremendous foreign demand for American goods, and it has made possible the rebuilding of Europe's industrial plant.



"Obviously when this great outpouring of dollars comes to an end, world trade will lose something that has been a prolonged and powerful stimulus. There will, I think, no longer be room for doubt that the era of world-wide post war inflation is over; the big question will be whether deflation must inevitably follow?

"Now, why must our great global pump-priming program that has done so much good be ended?

"No country, not even the United States, can keep on giving away its money to foreigners forever without reaching the bottom of the barrel. How soon the bottom of the barrel is reached depends on two factors: one, the willingness of foreign central banks and governments to keep on accumulating dollar balances without asking for gold; two, the reserves of gold available should it be asked for.

"At present we have left about \$19-billion in gold, a very large sum, and far more than any other country has. However, foreigners now hold just about \$19-billion of short-term dollar assets for which they could demand gold.

"This brings us to the most important reason why our balance of payments deficit is disturbing. Any substantial conversion of foreign dollar balances into gold would have a restrictive effect upon our economy. Under the workings of our money system, gold withdrawals tend to reduce the money supply, tighten credit and bring about deflation. This is the discipline of the gold standard. Under the gold standard, nations which pursued loose fiscal policies, had persistently unbalanced budgets or persistent deficits in their international balance of payments, soon found themselves losing gold and had to mend their ways promptly or risk being forced off gold.

"In the period of world-wide depression in the 1930's, this gold standard discipline proved insupportable and country after country abandoned the gold standard and adopted 'managed money' policies. They were willing to let the external, foreign-exchange value of their currencies fluctuate in order to be free to take whatever steps they wished to maintain economic stability at home.

"Now all of the principal countries of Europe have stabilized their currencies. In effect, the world has returned to a gold exchange standard. Since the United States has maintained from 1934 a fixed price for gold at which it will sell to foreign central banks and governments, most countries keep only part of their reserves in gold and a large part they keep in dollars. The dollar has thus become the principal reserve currency of the world. As such it will be narrowly watched and there must be absolutely no question about our ability to meet instantly in gold all demands that may be made on us.

"The practical consequence of this is that, for the first time in a quarter century, the United States has lost the freedom to take whatever fiscal or monetary measures it sees fit to maintain domestic economic stability. For the first time since the early 1930's we are subject to the discipline of the international gold standard."

#### COAL CONTRACTS

Contracts calling for 516,000 tons of coal have been let to the following coal companies in the amounts indicated: Suntrana 85,000, Usibelli 151,000, Cripple Creek 50,000, Evan Jones 130,000, Mrak 90,000, and Castle Mountain 10,000.

### BOILER INSPECTIONS

We have learned from the State Department of Labor that mining and other operations which do not have boiler insurance will have those boilers inspected. The Dept. of Labor emphasized that boiler insurance is not compulsory, but that uninsured boilers will be subject to State boiler inspection. Further information can be obtained from the State Department of Labor, Box 2141, Juneau.

### E. AND M. J. METAL MARKET PRICES

	<u>June 23</u> <u>1960</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	33.0¢	33.0¢	31.5¢
Lead, per lb.	12¢	12¢	12¢
Zinc, per lb.	13¢	13¢	11¢
Tin, per lb.	101.9¢	99.3¢	103.4¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	\$81-85	\$81-85	\$76-80
Quicksilver, per flask	\$211-214	\$212-215	\$239-241
Silver, foreign, New York	91.4¢	91.4¢	91.4¢
Silver, domestic, per oz.	91.5¢	90.5¢	90.5¢
Antimony ore, per unit	\$3.30-3.35	\$3.30-3.35	\$3.10-3.20
Chrome ore, per long ton	\$35-36	\$35-36	\$35-36
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$24-25	\$22-24	\$20-22
Molybdenum conc., per lb.	\$1.25	\$1.25	\$1.25
Beryllium ore, per unit	\$46-48	\$46-48	\$46-48