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

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MINES BULLETIN

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MINING ACTIVITIES

FIRST DISTRICT - Admiralty Alaska Gold Mining Company is continuing their diamond drill exploration program from the 200 level at Funter Bay.

MORE MINING REGULATION HEARINGS

As reported in last month's Bulletin, some rather broad departures from conventional mining law are contemplated for regulating mining activities on lands that will be owned by the State. Since no advance time was available before the November hearings during which the changes from our earlier distributed regulations could be considered, it has been deemed advisable to hold a second round of hearings. The redraft of the proposed regulations should be ready for distribution about January 12. It will be sent to all who attended the first hearings and also to those who requested the original proposed regulations. Others may obtain it from this Division at Box 1391, Juneau or the Division of Lands at 344 Sixth Street, Anchorage. The second round of public hearings will not be as extensive as the first. They are planned for Anchorage on February 7, at Fairbanks on February 8, and Juneau on February 10. We continue to emphasize that these proposed new regulations will not affect claims now in existence nor claims staked in the future on Federal Public Domain.

OIL NEWS

According to Mr. P. W. Gester, geologist for the Standard Oil Company, "the volume of oil exploration activity in 1961 will increase by 25 percent in total drilling over 1960. This might be added up into a general prediction that the oil industry rate of expenditure for 1961 will be in the range of \$40,000,000 to \$50,000,000."

During the month of December this Division approved applications for permit to drill wells Nos. Soldotna Creek Unit 32-8 and 43-33, Standard Oil Company of California, Operator. As of the 27th of December, a total of 30 applications have been approved, representing an increase of 87.4 percent over 1959.

Since the November Bulletin, Standard Oil Co. of California, Operator has announced the completion of three additional wells in the Soldotna Creek Unit. On November 26, 1960, well No. SCU 34-4, was completed flowing at a calculated MER of 800 barrels per day of 37.7-degree gravity oil. On December 27, 1960, Standard announced that both wells Nos. SCU 14-34 and 14-9 had been completed, flowing at a calculated MER of 700 barrels per day each. Oil producers in the Swanson River Oil Field now total 18.

In accordance with Section 2008.1, Title 11 AAC (Oil & Gas Conservation Regulations) records covering the drilling of well No. Swanson River Unit 22-23 are now released to the public.

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On December 7th the Division of Lands held the State's third competitive oil and gas lease sale in Anchorage at which there were 9 tracts bid on covering 22,867 acres out of 26 offered covering 73,048 acres. El Paso Natural Gas Products Company submitted bids totaling \$19,521.25 on five tracts located in Herendeen Bay covering 15,758 acres for an average of \$1.23/acre. Union Oil Co. of California and Ohio Oil Co. jointly submitted one bid on an 1852 acre tract offshore the Kenai Gas Unit totaling \$10,026.25 for an average of \$5.41/acre. Richfield Oil Corp. bid \$5,777.81 covering 5,257 acres offshore Katalla for an average per acre bid of \$1.09. The nine tracts brought a total of \$35,325.31 for an average of \$1.54/acre.

Current Drilling Activity as of December 27, 1960

<u>Operator</u>	<u>Well No.</u>	<u>Status</u>
Richfield	Kaliakh River Unit 2RD	Drilling @ 10,374'
SOCal	Falls Creek 1	Drilling @ 5,436'
SOCal	SCU 32-9	Drilling @ 8,367'
SOCal	SCU 32-8	Moving on location
SOCal	SCU 43-33	Moving on location
SOCal	SRU 23-27	Drilling @ 8,317'
Union	Kenai Unit 41-19	Running surface casing Present T. D. 1,188'.

WITHDRAWALS

Just after we quoted an undersecretary as saying that Secretary Seaton probably would not withdraw the Arctic National Wildlife Range last month, he did it. There seems to be some confusion resulting from various news releases as to whether or not mining will be allowed in the withdrawn Range. Under the regulations as published in the Federal Register (Public Land Order 2214), it will not. We quote the pertinent paragraph from the order as follows:

"For the purpose of preserving unique wildlife, wilderness and recreational values, all of the hereinafter described area in northeastern Alaska, containing approximately 8,900,000 acres is hereby, subject to valid existing rights, and the provisions of any existing withdrawals, withdrawn from all forms of appropriation under the public land laws, including the mining but not the mineral leasing laws, nor disposals of materials under the Act of July 31, 1947 (61 Stat. 681; 30 U.S.C. 601-604), as amended, and reserved for use of the United States Fish and Wildlife Service as the Arctic National Wildlife Range."

From this we see that mineral leasing laws (oil, gas, coal, etc.) will apply, but mining law (metals and other locatable minerals) will not. In a public release, Senator Bartlett addressed the following remarks to a newspaper editor:

"Further, your implication that the Secretary of the Interior was forced to create the range with an absolute prohibition against mineral exploration and mining is totally erroneous. There are five existing wildlife ranges in the United States, excluding the Kenai Moose Range, which was especially created to carry out the provisions of the territorial game law. In each of these, mining location is allowed. In none do limitations exist such as those which were proposed in the legislation offered by the Secretary of the Interior."

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Simultaneously with the above action, the Secretary withdrew the Kuskokwim National Wildlife Range (approximately 1,870,000 acres), the Izembek National Wildlife Range (approximately 320,000 acres) and opened to nonmineral public land laws the approximately 20,000,000 acres on the Arctic Slope that were opened to mineral entry under both mining and mineral leasing laws in 1958. The 24,000,000-acre Naval Petroleum Reserve No. 4 remains closed.

TIN

World production of tin is not keeping pace with consumption and the International Tin Council's removal of output quotas will not produce sufficient tonnage to close this gap. Consumption of tin in 1960 is estimated at 170,000 tons with world production and release of stocks totaling only 158,000 tons, 12,000 tons below consumption.

The squeeze has not fully developed as yet due to heavy de-stocking being carried on by fabricators, particularly in the U. S. But once the U. S. economy picks up and consumers are forced back into the market, it is felt the shortage will become obvious. The International Tin Council has a buffer stock of 10,000 tons of tin; sales from this buffer stock can only be made when the price reaches \$2324.00 a ton or \$1.16 a pound. If the anticipated shortage forces prices beyond that point, the stock manager would have to take action to prevent a runaway market. How far could the buffer stock be safely depleted?

The U. S. agreed to lend Bolivia \$10 million in November to improve and modernize the ore concentration facilities of Bolivia's tin mines. This loan will help Bolivia's nationalized mine corporation, Comibal, to reduce shipping costs and increase production by processing low grade concentrates.

GEOLOGIC REPORTS

The Geological Survey is releasing in open files - "The Geologic Interpretation of Magnetic Data in the Copper River Basin, Alaska," by G. E. Andreasen, Arthur Granty, and Isidore Zietz - at Brooks Memorial Building, College; 117 Capital Building and in State Division of Mines and Minerals, Room 317, Alaska Office Bldg., Juneau; and 503 Cordova Bldg., Anchorage, Alaska. Copies for which reproduction of text and illustrations can be made at private expense are available at Alaskan Branch, U. S. Geological Survey, 345 Middlefield Road, Menlo Park, California.

GOLD

Gold is enjoying increasing use in the plating of vital electronic and missile parts, such as brackets for space satellites, sealing rings for missiles, electronic chassis and electronic housings. It is reported that as much as \$50 per oz. is being paid for the cyanide powder gold which is used in this special plating process.

Because of their indirect effect on the balance-of-payments problem, domestic prices of gold and silver are not likely to be raised by the new administration, despite some pressures along those lines from the mining bloc in Congress and even within the administration itself. However, subsidies of one form or another are a good bet to be proposed in the new Congress.

HAPPY NEW YEAR!

ETCETERA

Addition of from 10 to 20 percent of ordinary salt to "permissible" explosives used in the coal mines increased their safety factor according to a report just published by the U. S. Bureau of Mines, Report of Investigation 5683, "Reducing Incendivity of Permissible Explosives by Sodium Chloride," which may be obtained from the Publications Distribution Section, U. S. Bureau of Mines, 4800 Forbes Ave., Pittsburgh 13, Pennsylvania. The addition of salt to "permissible" explosives in varying proportions cools the flame emitted by explosives thus lessening their chance of igniting gas or coal dust.

E. AND M. J. METAL MARKET PRICES

	<u>Dec. 22,</u> <u>1960</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	30.0¢	30.0¢	34.4¢
Lead, per lb.	11.0¢	12¢	12.5¢
Zinc, per lb.	12.0¢	13¢	12.5¢
Tin, per lb.	100.6¢	102.9¢	98.9¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	\$81-85	\$81-85	\$77-80
Quicksilver, per flask	\$209-212	\$209-212	\$215-217
Silver, foreign	91.4¢	91.4¢	91.4¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	\$3.45-3.50	\$3.30-3.35	\$3.10-3.20
Chrome ore, per long ton	\$36-38	\$36-38	\$34-35
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$22-24	\$22-24	\$22-24
Molybdenum conc., per lb.	\$1.25	\$1.25	\$1.25
Beryllium ore, per unit	\$46-48	\$46-48	\$46-48

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