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

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OIL NEWS

Three applications for permits to drill were approved by the Petroleum Branch of this Division during the month of March, bringing the 1961 total to twelve permits approved as opposed to three over the same period in 1960. The new wells are all in the Swanson River oil field and are designated as follows: SRU 21-27 and 21-15 and SCU 43-4 (all Standard Oil Co. of Calif., Opr.).

Eight rotary rigs are now active in Alaska, seven on the Kenai Peninsula and one in the Bethel Basin. Drilling activity outside of the Swanson River Field as of March 28th follows:

<u>Operator</u>	<u>Well No.</u>	<u>Status</u>
Pan American	Napatuk Creek 1	Drilg. @ 300'
Standard Oil of Calif.	Falls Creek 1	Drilg. @ 13,372'

During the month of March three completions were made in the Swanson River Field bringing the State's total to 24 producing wells flowing approximately 11,000 barrels per day. On March 8, 1961, Standard Oil Co. of Calif., Opr. completed well No. "Soldotna Creek Unit" 43-33 flowing oil at a calculated MER of 500 barrels per day. On March 12, 1961, the operator completed well No. "Swanson River Unit" 41-33 flowing oil at a calculated MER of 450 barrels per day and on March 23, 1961 well No. "Soldotna Creek Unit" 12-3 was completed flowing oil at a calculated MER of 700 barrels per day.

RECORDS RELEASE - In compliance with Section 2008.1 of the Oil and Gas Conservation Regulations, records covering the drilling of Bear Creek Unit No. 1 (Humble) and SRU 34-16 (Standard) will be released to the public on April 4 and 26, respectively.

TERMINAL EXPANSION - The Kenai Pipeline Company plans to install a 200,000-barrel tank at the Nikiski Marine Terminal this coming summer and to expand the pumping facilities at the Soldotna Creek Pumping Station. The additional tankage will increase the terminal's storage capacity to 464,000 barrels.

COLORADO OIL & GAS PLANS STRAT TESTS - C.O.G. has announced that beginning in May, 1961, it will begin the drilling of some stratigraphic test wells (4000'-5000') in the area between Yakutat and Dry Bay to learn more about the sedimentary characteristics of the area.

NPR NO. 4 BILL INTRODUCED - Senator E. L. Bartlett (D-Alaska) has introduced a bill in the Senate which would return the Naval Petroleum Reserve No. 4 lands on Alaska's Arctic Slope to the Department of the Interior. This would allow private exploration and development.

Thirty-seven test wells were drilled in the NPR-4 during the years 1944-55, and three principle fields were discovered. South Barrow Gas Field, Gubik Gas Field and the Umiat Oil Field. Eleven wells were drilled in the latter field and according to USGS Survey Bulletin 1094 reserve estimates of producible oil range from 30 million to over 100 million barrels.

HOMESTEADERS RECEIVE OIL & GAS RIGHTS - An announcement this week by Senator Ernest Gruening (D-Alaska) stated that the Bureau of Land Management in Washington has recently tentatively approved oil and gas rights for twelve Kenai Peninsula homesteaders.

Warner T. May, Anchorage BLM Land Office Manager, said that about 30 homesteaders probably will ultimately receive oil and gas rights under Public Law 86-789, and the cases will be individually reviewed as they are received from Washington. The Anchorage BLM will grant the oil and gas rights after field inspections take place, according to the announcement.

MILITARY WITHDRAWAL HEARINGS

Bills have been introduced by Senator Gruening for the withdrawal of several areas in Alaska desired by the Military for various uses. The largest of these areas are in the Fairbanks region and may be of particular interest to the mining industry. The areas applied for by the Military are shown on the following page together with the larger Military reserves already in existence. S. 353 would provide for the withdrawal of the 256,000-acre area (see map on following page) for use as the Yukon Command training site. S. 354 would provide for the withdrawal of the 607,800-acre area for use as a NIKE range. S. 355 would provide for the withdrawal of the 572,000-acre area for a maneuver area. In all cases, the withdrawals are proposed for a ten-year period, or if extended by the Secretary of the Interior, for a period of fifteen years.

Each of the three bills states that the land will be "....withdrawn from all forms of use and appropriation under the public land laws including the mining and mineral leasing laws...." In the case of S. 354, however, it says further, "....except as provided in subsection (b)...." Subsection (b) then says that the lands and resources so withdrawn shall be subject to use by the public in such manner that will not interfere with the Army's use of the area (for NIKE shooting) each year from December 15 to March 15. Subsection (c) says, "The Secretary of the Interior may, with the concurrence of the Secretary of the Army, authorize use or disposition of any of the lands or resources withdrawn and reserved by subsection (a) of this section."

We see by this that an attempt is being made to keep the proposed NIKE site open for mineral and other development as much as possible. Whether this is sufficient safeguard for possible mineral developments is up to the public. The area involved is known to be geologically favorable for various types of commercial mineralization, and there are 71 active mining claims within the area, according to information reported by the BLM to the Army.

Hearings will be held on these bills in Fairbanks and Anchorage by Senator Gruening. The Fairbanks hearing will probably be the most important, and is scheduled for May 9. The date of the Anchorage hearing is May 16. We hope that all interested residents will testify. The accompanying map should be of assistance in determining the relative sizes and locations of the areas involved.

ARCTIC WILDLIFE RANGE BILL

A bill has been introduced in Congress to confirm the establishment of the Arctic National Wildlife Range, which was, of course, created by Secretary Seaton while still in office on December 7, 1960. Section 2(a) states that the Secretary of the Interior may administer the Range in the public interest, and issue rules and regulations for that purpose. Section 2(b) states as follows: "All mineral deposits in the wildlife range that are subject to location, entry, and patent under the mining laws and that are subject to leasing under the mineral leasing laws of the United States, shall be subject to disposal under such

laws: Provided, That such location, entry, or patent shall not establish or convey any interest in the surface of the land containing such minerals but shall entitle the locator or patentee, or his successor in interest, to the right of occupation and use of so much of the surface of the land as may be required for purposes incident to the mining and recovery of such minerals and the metals therefrom: Provided further, That nothing in this Act shall impair the right to ingress and egress from this range for any purpose authorized under the mining laws of the United States." At present, the Range is open to entry under the mineral leasing laws, but closed to entry under the mining laws. Passage of this bill should improve the situation.

WILDERNESS BILL

Hearings were held in Washington late last month on S. 174, a bill to establish a National Wilderness Preservation System. This Act would incorporate into the wilderness system such portions of national parks and monuments as embrace over 5,000 acres without roads. Also included would be such portions of wildlife refuges and game ranges as the Secretary of the Interior recommends. Wilderness areas within national forests would be included. There would be no commercial enterprise within the system, no road, no use of motorized vehicles, motor boats, landing of aircraft, etc.

Witnesses appeared on behalf of the minerals industries and various conservation and outdoor groups. Secretary Udall favors this legislation, and President Kennedy in his natural resources address to Congress on February 23 said the following: "To protect our remaining wilderness areas, I urge the Congress to enact a wilderness protection bill along the general lines of S. 174."

NATURAL RESOURCES ADDRESS

We present here a few paragraphs from an address by former Governor B. Frank Heintzleman before the State Senate, February 23, 1961. He has dedicated his retirement years to the development of industry in Alaska at his own expense, and travels extensively contacting industrialists.

"Every state in the United States, every province in nearby Canada, and many foreign countries, are just as keen as Alaska to increase their industrial production to supply more of their own increasing needs and to participate in the greater market that is emerging or is in prospect in the new countries demanding a better way of life.

"All of them are intensively studying their natural and human resources to determine their chances and what they can do to share more fully in the expanding world economy. To any one who follows this nation-wide and world-wide competition for industrial growth it is an astonishing spectacle.

"It involves federal governments, states, counties, cities, trade associations, individual processors of material, transportation and power companies, and the large investment houses of the world.

"The competition our young state faces in trying to get the natural resource development we so desperately need for growth and permanent prosperity, and which with us means starting from scratch, is something that every Alaskan should ponder - every administrative official, legislator, businessman and worker - all those, in fact, who have a stake in the state."

PATENTED CLAIMS UP FOR FORECLOSURE

The State Division of Lands is starting its final effort to find owners of delinquent patented claims and obtain statements of ownership from them. If owners of these

EXISTING MILITARY WITHDRAWALS
AND APPLICATIONS
SCALE: 1"=16 MILES

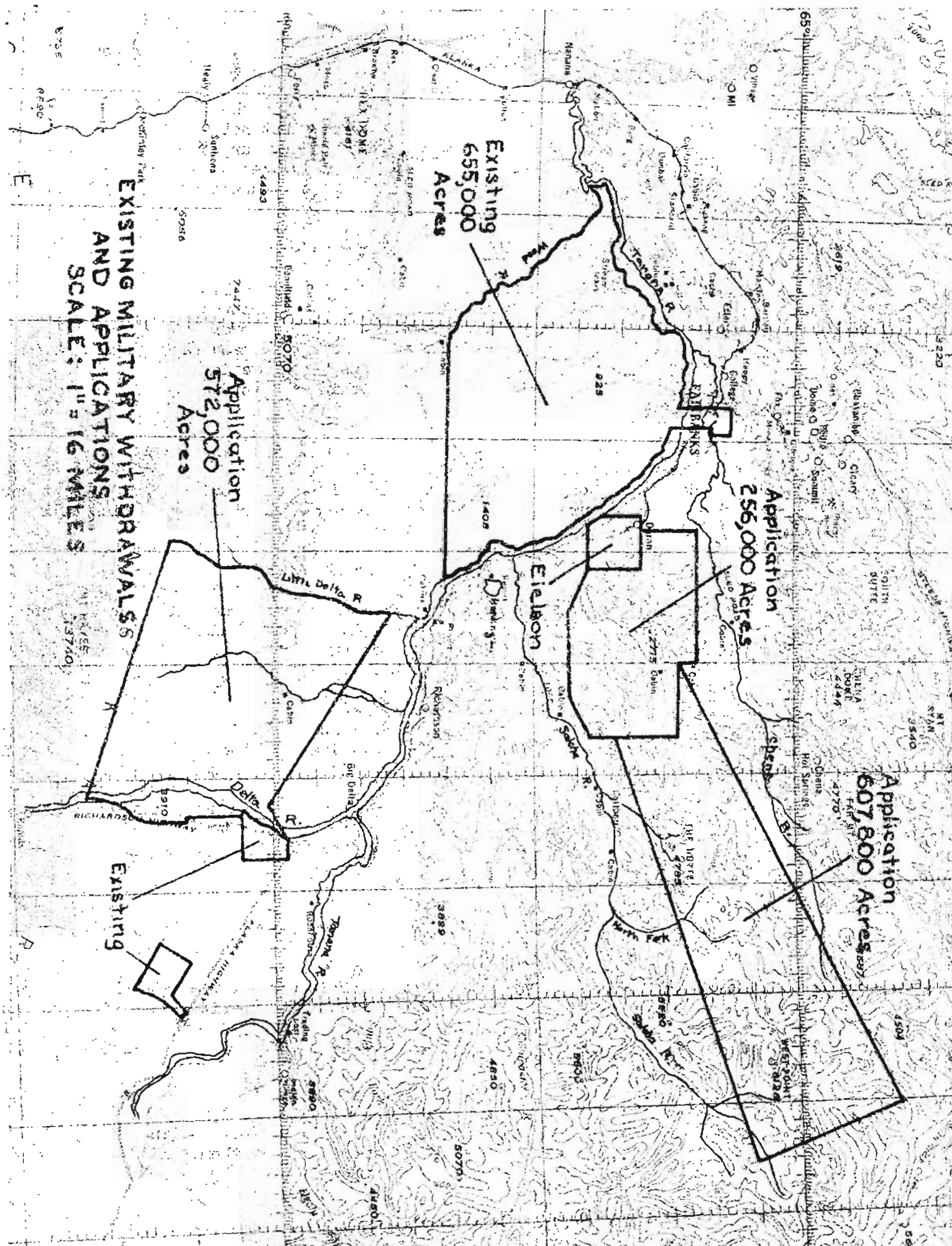
Existing
655,000
Acres

Application
572,000
Acres

Application
256,000 Acres

Application
607,800 Acres

Existing



patented claims cannot be found, the State is required by the Land Registration Act to foreclose on the claims and sell them. Present legal owners of these claims may redeem them up to the time they are sold by filing a Statement of Real Property Ownership and paying the assessed costs, which average around \$14. The Division of Lands will then issue a quitclaim deed. Further information may be obtained from the Division of Lands at 344 Sixth Avenue, Anchorage, or the DM&M. We list here the names of the last known owners of the delinquent claims, arranged according to the recording district in which the claims are situated. Please check these lists carefully for anyone of whom you might have some knowledge and inform him or either of these two Divisions.

Haines Recording District: C. M. Summers, W. S. Cranston, J. Dalton, J. A. Maloney, Danforth & Quilter, H. D. Gardner, John R. Winn, August Tutsche.

Hyder Recording Precinct: William and Bronson E. McGrew, L. R. Doggett or Paul and Mary Meger, B. Guggenheim.

Juneau Recording Precinct: Samuel and Jesse Kenny, Karl Koekler, F. Bach, J. R. Bodwell, John Olds, Richard Johnson, Windham Bay Gold Mining Co., Alaska Gold Mining Co., Edward Botetticher, Penn-Alaska Mining Co., Lloyd G. Hill, K. and Lewis Koekler, L. William and C. S. Johnson, Alaska Mildred Gold Mining Co., Windham Chief Consolidated Gold Mining & Milling Co., R. W. Edwards, Alaska Endicott Mining & Milling Co.

Ketchikan Recording Precinct: Roseland and Deer Park Mining, Sea Breeze Mining Co., Golden Fleece Mining Co., Beaver Mt. Mining Co., R. D. Kilpatrick, Charles R. Peterson, Freeburu Development Co.

Sitka Recording Precinct: Edwin Harrison Power Co. or Rodman Bay Co., Chicago Extension Mining Co., Bernard Hirst, George H. Whitney, M. O. Munly.

Cape Nome Recording Precinct: Leo Loewenherz, Joseph A. Teal, Joseph Hendrick, James O'Sullivan, Norman G. Tornson, Wilber J. Albright, John LaMontagne, Charles Ross, Otto W. Carlson, William Snyder, John L. Hager, Standard Mining and Investment Co., Wilbur J. Albright, Jerome Mining Co., Bert Farrar, American Mining and Development Co., Emile Mauze, Wild Goose Mining and Trading Co., Sylvanie Sansoucy, Flume Dredge Co., Adolph J. Mueller, Akim Riskin and Mrs. Inga Muessler, John F. Ames, Gordon Hall, Andrew Gunderson, William Koenigs, Basil D. O'Connor, Harry S. Newman, Peter Sibley, Christina Gibney, Winnifred Rauk, John D. DeFries, Curtis Roberts, United States Alaskan Tin Mining Co., William Snyder, J. F. Maloney, John Olds, L. L. Williams, Omalak Gold and Silver Co. (Agent John C. Green)

Chitina Recording Precinct: Chittyna Exploration Co., T. W. Blakney, A. W. Tibbett, Theo Van Wagenen, Houghton, Alaska Exploration, F. G. Coggin, Alaska Consolidated Copper Co., Mother Lode Coalition Mines Co., John E. Andrus, Josevig-Kennecott Copper Co., Otto C. Baumgartner, Mollie Gage, Margaret Gage Dean, Cyril F. M. Cole, Hamlin F. Andrus, Sigurd Wold, M.E.W. Gold Mining Co.

Cordova Recording Precinct: Tacoma Cordova Mines Co., Alaska Consolidated Oil Fields.

Valdez Recording Precinct: Three Man Mining Co., Knights Island Copper Mining Co., Standard Copper Mines, A. W. Tibbett, Gold Bluff Mining Co., M. A. Arnold, Fred Liljegren, Mary Debney, Edwin Thorne, S. A. Hample.

Wasilla Recording Precinct: Brooklyn Development Co.

Innoko Recording Precinct: Flume Dredge Co.

Nenana Recording Precinct: Guy B. Erwin.

Fairbanks Recording Precinct: Fred E. Bleecker, John Ronan, Alaska-Natazhah Mining-Co.
Frank J. Nolan, George B. Wesch, D. R. and J. A. Gustafson.

ETCETERA

We note in a National Park Service report that visitors to Mt. McKinley National Park dropped from 25,800. in 1959 to 22,500 in 1960. Although visits to national monuments were also included in the report, mention of Glacier Bay and Mt. Katmai National Monuments was not made.

A core drill for the moon has been developed by a U.S. oil field equipment company. The reported plans call for the drill to be sent to the moon aboard an unmanned space craft where it will automatically bore a hole and obtain core samples. The core will be automatically analyzed, probably by X-ray diffraction, and the results will be radioed home. If this can be done, it looks as if we should be able to send a rig out to drill for copper or oil, and never leave the office.

TVA has reportedly just let a \$9,000,000 contract for 3,000,000 tons of coal. It is interesting to note that this agency, originally a large hydro power development, now generates about 85 percent of its power with coal.

An asbestos staking rush is reported in progress southwest of Prince George, B. C.

E. AND M. J. METAL MARKET PRICES

	Mar. 23, 1961	Month Ago	Year Ago
Copper, per lb.	29.0¢	29.0¢	33.0¢
Lead, per lb.	11.0¢	11¢	12¢
Zinc, per lb.	11.5¢	11.5¢	13¢
Tin, per lb.	103.9¢	100.6¢	99.8¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	\$81-85	\$81-85	\$82-85
Quicksilver, per flask	\$206-209	\$208-211	\$213-216
Silver, foreign	91.4¢	91.4¢	91.4¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	\$3.60-3.65	\$3.60-3.65	\$3.30-3.35
Chrome ore, per long ton	\$36-38	\$36-38	\$35-36
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

FLASH

As we went to press, we received a press release announcing that Secretary Udall has proposed addition of gold, silver, iron ore, bismuth, sulfur, and tellurium to the list of minerals for which exploration assistance is provided by the Office of Mineral Exploration. It is also proposed that OME pay up to 75 percent of authorized exploration costs of the more critical minerals, some of which are asbestos, beryllium, chromite, mercury, mica, nickel, and tin. Interested parties have 30 days in which to comment on the proposals. Further information may be obtained from OME, South 157 Howard Street, Spokane 4, Washington.