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

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MINING ACTIVITIES

Northwestern District - Doug Colp is dredging on Kleary Creek with a crew of about ten men. Grant Nelson is operating one dredge with a crew of about five men. Willie Foster and family are sluicing on Cunningham and Hannum Creeks. Archie Ferguson and John Belobraidich and a small crew are sluicing on Candle Creek. Fred Weinard and Swede Ericson are mining the benches on Jump Creek. Lynn Grothe and partner are mining placer tin. Dredge No. 6 of the USSR&M apparently is being shelved for an indeterminate period. No. 6 had been digging on the submarine beach.

Beryllium locations were increased with the announcement of a new discovery by Pete Sainsbury of the U. S. Geological Survey.

M. F. Morgan has been constructing a pontoon platform (Marian) on which he intends to mount his 8" suction dredge and two Knutsen concentrating bowls. He intends to test his offshore prospecting permits with this equipment as well as by drilling through the ice this winter.

Southeastern District - John Brockway reports that a geophysical company has been doing ground magnetometer and geophysical mapping on his copper prospect near Mt. Baker. They intend to explore and develop some of the anomalies next season.

Southcentral District - The Kaiser Permanente Company is building an access road from the Glenn Highway at about Mile 72 to its limestone deposit staked on Kings River two years ago.

OIL NEWS

Two applications for permit to drill were approved by the Petroleum Branch since the last bulletin. Well numbers and locations are as follows: Pan American Petroleum Corp. "Cook Inlet-State" 1-A, Sec. 6, T11N, R9W, Seward Meridian, location: 1249.6'N & 2024.9'E fr SW cor of Proj. Sec. 6. This well is being drilled as a relief well to the blowout and fire in "Cook Inlet-State" 1. Standard Oil Co. of Calif., Opr. "SRU" 14-9, Sec. 9, T8N, R9W, Swanson River Oil field, location: 660'N & 660'E fr SW cor of Sec. 6. El. 225'± gr. This well is located over a mile and one-half west of the discovery well "SRU" 34-10.

Drilling Activity

<u>Operator</u>	<u>Well Name and No.</u>	<u>Status 9-25-62</u>
Richfield	White River Unit 2	D.D. 11,650', fishing
Pan American	Tyonek-State 1	Drlg. @ 11,600'
Pan American	Cook Inlet-State 1	D. D. 12,000' ± Burning
Pan American	Cook Inlet-State 1-A	Drlg. @ 5,600'
Colorado	Malaspina Unit 1-A	T.D. 12,441', Prep to P&A
SOCAL	Beluga River Unit 1	Drlg. @ 14,283'

<u>Operator</u>	<u>Well Name and No.</u>	<u>Status 9-25-62</u>
SOCAL	Anchor Point Unit 1	Drlg. @ 12,432'
SOCAL	SRU 41-15	Drlg. @ 11,267'
SOCAL	SRU 14-9	Prep. to spud
Union	Ninilchik 1	Drlg. @ 9,812'
Union	Tazlina 1	Drlg. @ 7,911'
Occidental	South Diamond Gulch Unit 1	Drlg. @ 9,670'
Shell	SRS-State 1	T.D. 14,041', suspended
SOCAL	SCU 22-32	T.D. 14,555', suspended
SOCAL	Riou Bay Unit 1	T.D. 14,107', P&A
Superior	Chuit-State 2	T.D. 9,152', P&A

Production, Swanson River Field, Hemlock Zone

	<u>Producing Wells</u>	<u>Oil (Barrels)</u>	<u>Water (Barrels)</u>	<u>Gas (MCF)</u>
August, 1962	50	883,754	27,768	165,593
Cumulative to September 1, 1962		13,871,851	385,906	2,645,677

Production, Kenai Gas Field

	<u>Producing Wells</u>	<u>Oil (Barrels)</u>	<u>Water (Barrels)</u>	<u>Gas (MCF)</u>
August, 1962	2	0	0	80,614
Cumulative to September 1, 1962		0	0	962,223

Production, Sterling Gas Field

	<u>Producing Wells</u>	<u>Oil (Barrels)</u>	<u>Water (Barrels)</u>	<u>Gas (MCF)</u>
August, 1962	1	0	0	3,479
Cumulative to September 1, 1962		0	0	10,275

Pittman Unit Agreement Approved - On September 14, 1962, the U. S. Geological Survey announced the approval of the Pittman Unit Agreement, Union Oil Company of California, Operator. The unit embraces 46,659.48 acres and one exploratory well, "Pittman" 1, was drilled to a total depth of 6,136 feet and abandoned. Under the terms of the agreement, a second well must be commenced within six months following the completion of the first well.

Kaliakh River Unit Agreement Terminated - The U. S. Geological Survey also announced the termination of the Kaliakh River Unit Agreement, Richfield Oil Corp., Opr., effective September 1, 1962. Three wells, "Kaliakh River Unit" 1, 2 and 2RD were drilled to total depths of 14,699, 9,575, and 12,135 feet, respectively, within this 86,500 acre unit during the past two years. This marks the second major unit terminated by the above operator in the Gulf of Alaska region within the past two months.

State Revenues - In a bulletin, dated September 21, 1962, the U. S. Department of Interior announced that the BLM had distributed \$5,155,542.09 to Alaska as the State's share of rentals and royalties from Federal mineral leases, including oil and gas.

Reduction in Wellhead Price for Natural Gas - Union Oil Co. of California, Opr., has announced a reduction of the wellhead price for natural gas from 32-1/2¢ to 25¢ per 1000 cubic feet. This amounts to approximately a 23% reduction in price, from which the Alaska Pipeline Company will derive considerable benefit in meeting costs of the \$11,000,000

pipeline. Dale Teel, vice president of the Anchorage Natural Gas Corporation is quoted as saying, "No change in the price of gas sold to Anchorage Natural Gas Corporation's customers is yet anticipated but negotiations are now in progress with the pipeline company for lower prices. While lower consumer gas rates are not in immediate prospect, lower wellhead prices will ultimately benefit gas consumers."

AMERICAN MINING CONGRESS NEWS

After much debate at its 1962 meeting in San Francisco, the American Mining Congress adopted the following recommendations and statements as part of its "Declaration of Policy" for the ensuing year. The complete Declaration is too lengthy for presentation here. The Declaration is used as a guideline in presentations to Congress and Administration officials when mining matters are being debated or considered.

On Gold: It is recommended:

1. That current efforts to preserve the Nation's gold reserves be intensified.
2. That the gold standard be restored, with the dollar and other major currencies redefined in terms of gold and made freely convertible.
3. That Treasury sales to industry be discontinued, so that a free market in gold for industrial purposes can be established.
4. That a program of bonus payments be authorized to stimulate domestic production of gold and prevent complete destruction of the gold mining industry."

On Taxation: "Exploration expenditures should be fully deductible and present limitations on deductibility of such expenditures should be removed."

On Mine Safety: "State mining codes or regulations, together with State or local inspections, have proven helpful in meeting area problems and continued cooperation of these agencies should be maintained. Duplication of these activities by proposed Federal intervention, however, is unnecessary and can only lead to confusion and interference in management-employee cooperation which is essential to optimum performance."

On Pollution: "Water and air pollution problems are usually local in nature and their effects are generally limited to nearby areas. The responsibility for and control of such problems should logically be vested in authorities at the local, State and area levels."

"We urge the Congress to recognize the local character of water and air pollution problems, and to establish Federal policies giving full support to the local, State and interstate agencies who have the basic responsibility for solving these problems."

On Public Lands: "The public interest is best served by keeping the public domain open for the discovery and mining of minerals, both metallic and nonmetallic. To this end, withdrawals of public domain should periodically be reviewed, and reduced where they contain areas in excess of need. Future withdrawals should be kept to a minimum. The recently introduced concept of a "National Land Reserve" is incompatible with the fullest use of our public lands."

"We support the principle that the public domain should be put to as many compatible uses as its resources permit."

NEW U.S. GEOLOGICAL SURVEY PRELIMINARY GEOLOGIC MAP

The Geological Survey has released the preliminary map of the Umiat-Maybe Creek region, Alaska, by W. P. Brosge and C. L. Whittington. Copies are available for consultation in the various USGS offices in Alaska and at the Juneau, Anchorage, and Fairbanks offices of the Division of Mines and Minerals.

NEW FIELD TESTS FOR SOME OF THE RARE METALS

The U. S. Bureau of Mines announced they have available copies of simple field tests for columbium, tellurium, selenium, beryllium, cesium, rubidium, and germanium. These publications are available as follows:

Report of Investigations 5898, "Field Test for Columbium," by T. N. McVay and Annie G. Smelley;

Report of Investigation 5620, "Field Test for Beryllium Minerals: The Morin Fluorescence Method," by McVay.

A copy of the foregoing can be obtained from the Publications Distributions Section, Bureau of Mines, 4800 Forbes Avenue, Pittsburgh 13, Pennsylvania.

Report of Investigations 6006, "Field Test for Tellurium and Selenium," by Philip E. Niebuhr and Allan H. MacMillan, 15¢;

Report of Investigation 5675, "Field Test for Cesium and Rubidium," by K. C. Dean and I. L. Nichols, 15¢;

Information Circular 5907, "Field Test for Germanium," by W. M. Dressel, 10¢.

The last three publications are sold by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

WEATHER AFFECTS MINING

Unusually heavy rains during the month of August disrupted road travel north and west of Fairbanks and slowed the access road work of Jim Carroll in the Rampart area. The Evan Jones Coal Mine and Mrak Coal Mine were caused some delay in their strip operations. The Usibelli Mine also suffered a few days delay with high water trouble. It is understood that the heavy rains also affected some of the operations in the Nome area.

FUTURE PACIFIC NORTHWEST STEEL INDUSTRY FACES GROWING MARKET

The Bureau of Mines presents information on the Pacific Northwest steel industry and estimates that the market for steel will be as much as three times its present size and the production of steel ingots in the area should also triple by 1980. They estimate that fifty percent of the demand will be produced in the Northwest. The report describes present steel plants, their production and consumption of raw materials. The raw material list of required material includes in addition to scrap steel, such materials as limestone, fluospar, foundry sand and refractories.

The report, Information Circular 8073, "The Pacific Northwest Steel Industry," by Gary A. Kingston and Frank B. Fulkerson, may be obtained only from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for 35¢ a copy.

INTERIOR DEPARTMENT ANNOUNCES REVISED REGULATIONS
DEFINING COMMON VARIETY OF MINERALS

The revised definition of "common varieties" was published in the Federal Register September 14. The revised definition is as follows:

"'Common varieties' includes deposits which, although they may have value for use in trade, manufacture, the sciences, or in the mechanical or ornamental arts, do not possess a distinct, special economic value for such use over and above the normal uses of the general run of such deposits. Mineral materials which occur commonly shall not be deemed to be 'common varieties' if a particular deposit has distinct and special properties making it commercially valuable for use in a manufacturing, industrial, or processing operation. In the determination of commercial value, such factors may be considered as quality and quantity of the deposit, geographical location, proximity to market or point of utilization, accessibility to transportation, requirements for reasonable reserves consistent with usual industry practices to serve existing or proposed manufacturing, industrial, or processing facilities, and feasible methods for mining and removal of the material. Limestone suitable for use in the production of cement, metallurgical or chemical grade limestone, gypsum, and the like are not 'common varieties.' This subsection does not relieve a claimant from any requirements of the mining laws."

As a result of this action, commercial-grade limestone that can be used for cement will be subject to the application of the general mining laws if the other factors mentioned are favorable.

NEWS FROM WESTERN OIL AND GAS ASSOCIATION "THIS WEEK IN REVIEW"

Frank Rogers, WOGA's Washington, D. C., representative, reports as follows:

Final pronouncements on the prospects for wilderness legislation in the present Congress were made this week by President Kennedy and Chairman Wayne Aspinall of the House Interior and Insular Affairs Committee. Both statements confirmed previous indications that both the bill (S. 174) passed a year ago by the Senate or the one (H.R. 776, as amended) endorsed by Aspinall's committee nearly a month ago will die when the 87th Congress adjourns since die at the end of next week.

The President told a press conference of magazine editors that the House bill "is quite far out and not satisfactory" and expressed a preference for the Senate version, which the House committee has sidetracked.

Chairman Aspinall, in a speech to the House, traced the long legislative history of the two bills and accused pro-wilderness lobbyists of stirring up a "propaganda barrage" which led Speaker John W. McCormack to veto Aspinall's committee's plans to bring the bill before the House under a no-amendments procedure. The wilderness issue had been made so emotional, the chairman said, that the differences between the Senate and House versions could be reconciled only by sending the two bills to conference. He blamed "the wilderness lobby" for creating an "atmosphere of emotion" and of "unleashing many pressures" through newspapers and other sources, while at the same time failing to advocate any of their amendments while his committee was rewriting the House bill.

"The extremists," he said, "have now demonstrated they have no desire to compromise and, in their reckless and ruthless demand to rule or ruin, they

have created an atmosphere which makes impossible the enactment of any wilderness legislation during this Congress."

NEW SAFETY REGULATIONS

The Division of Mines and Minerals has been compiling drafts of proposed new safety regulations for both the mining and the petroleum industries. The proposed mining safety regulations should be ready for circulation to interested parties by mid-October. Hearings are planned for mid-November or later on these regulations. Persons interested in receiving these proposed mining and mine-exploration safety regulations for study prior to the hearings will receive them on request. Comments, either written, or oral, are invited.

A preliminary draft of proposed safety regulations for the exploration, development, and production phases of the petroleum industry has been published and given a limited circulation to those companies active in Alaska. Comments have been requested on an informal basis for our guidance in formulating a second draft on which a hearing will be held sometime this fall or winter.

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E. AND M. J. METAL MARKET PRICES

	<u>Sept. 27,</u> <u>1962</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	31¢	31¢	31¢
Lead, per lb.	9.5¢	9.5¢	11.0¢
Zinc, per lb.	11.5¢	11.5¢	11.5¢
Tin, per lb.	108.6¢	107.9¢	122.3¢
Nickel, per lb.	79¢	79¢	81.3¢
Platinum, per oz.	\$80-85	\$80-85	\$80-85
Mercury, per flask	\$192-195	\$192-195	\$188-191
Antimony ore, per unit	\$4.25-4.50	\$4.50-4.75	\$4.30-4.50
Beryllium ore, per unit	\$46-48	\$46-48	\$46-48
Chrome ore, per long ton	\$36-38	\$36-38	\$36-38
Molybdenum conc., per lb.	\$1.40	\$1.40	\$1.40
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$16-20	\$19-20	\$22-24
Silver, foreign, per oz.	117.20¢	109.25¢	91.4¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢