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

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MINING ACTIVITIES

Northwestern - Kennecott is shipping four thousand tons of material to the Ruby Creek copper deposit in the Kobuk area, and is building a road from Kobuk Village to the mine.

Southcentral - Pan American Petroleum Corp. and several individuals have staked nearly one hundred claims near Chenik Mountain at Kamishak Bay, south of Anchorage. First reports indicated an iron discovery and later reports indicated the values might be gold and silver. Neither report has been confirmed at this time.

Southeastern - The Kendrick Bay uranium mine closed for an indefinite period. The company was unable to obtain a market for their ore because of the AEC stretch-out program and the sale of the Texas Zinc Co. mill, their previous buyer. Mine equipment is being shipped south to be used at other operations of the mining company.

Boyles Brothers are drilling at Jumbo Basin iron-copper deposit on Hetta Inlet for Bonanza Gold, Inc.

EAST OF THE BORDER

Reports from various sources indicate a great deal of exploratory activity up the Stikine River in the vicinity of Kennco's copper discovery on Galore Creek. At least three companies are barging and flying freight into that vicinity.

Freight is also being barged and flown to the old Erickson-Ashby prospect on the Taku River near Tulsequah where a diamond drilling program is in progress.

NEW U.S. GEOLOGICAL SURVEY PUBLICATIONS

USGS Preliminary Geologic Structure Sections of the Central York Mountains, Seward Peninsula, Alaska, by C.L. Sainsbury. Consists of one map. Copies are available for consultation at the Juneau office of the DM&M and various USGS offices in the State.

USGS Map MR-38, Placer Gold Occurrences in Alaska, by E.H. Cobb. For sale by the USGS at 50¢.

OIL NEWS

Drilling Activity:

<u>Operator</u>	<u>Well Name &amp; Number</u>	<u>Status 6/23/64</u>
Pan American Petroleum	Tyonek State #2	Abandoning
SOCO	Naptowne Unit 24-8	Location
Sinclair Oil & Gas Co.	Little Twist Unit #1	P&A
Pan American Petroleum	Cook Inlet #1-A	Testing
Pan American Petroleum	Middle Ground Shoal #4	Drilling
Pan American Petroleum	Middle Ground Shoal #3	Drilling
B.P. Exploration Company	Kuparuk #1	Suspended
Shell Oil Co. of Calif.	North Cook Inlet #1	Drilling

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
May 1964	55	948,770	271,959
Cumulative to June 1, 1964		32,654,890	7,249,263

Production, Kenai Gas Field:

May 1964	3	326,650
Cumulative to June 1, 1964		6,856,768

Production, Sterling Gas Field:

May 1964	1	3,854
Cumulative to June 1, 1964		91,237

Production, Swanson River Gas Field, Kenai Zone:

May 1964	4	404,080
Cumulative to June 1, 1964		6,867,710

Gas Injection, Swanson River Field, Hemlock Zone:

May 1964	3	536,545
Cumulative to June 1, 1964		9,146,767

Production, Beluga River Gas Field, Kenai Zone:

May 1964	No production, Drilling ceased
Cumulative to June 1, 1964	0

### Drilling Ceases for the Summer on the North Arctic Slope

Summer thawing has brought Arctic Slope drilling activity to a standstill for the summer. Sinclair has plugged and abandoned its Little Twist Unit #1 and B.P. has suspended Kuparuk Unit #1. Of the total of six wells drilled outside of the Naval Petroleum Reserve on the Arctic Slope, five were drilled during this past winter. Development contract and unit commitments indicate that this coming year will be even more active. Colorado Oil & Gas, Sinclair and British Petroleum have been the active operators to date but at least a half dozen more major companies are heavily committed to exploration programs for the coming year.

### Four Drilling Operations Active in Cook Inlet Waters

Alaska offshore exploration activity is mushrooming this year.

A floating self-propelled drilling vessel is drilling Shell Oil Company's North Cook Inlet #1; a drilling barge is testing at Pan American's Cook Inlet #1-A relief well, a jack-up barge has spudded Pan American's Middle Ground Shoal #3, and Middle Ground Shoal #4 is being spudded from Pan American's drilling platform. A second drilling platform is presently being constructed on the West Coast and is expected to arrive in late summer for Shell at Middle Ground Shoal. It is expected that year-round drilling will be carried on from Shell's platform, which is designed for drilling a total of 28 wells from one position.

### GEOLOGIC PROGRESS REPORT

Don Richter completed three weeks' work on the eastern portion of Knight Island, a continuation of last year's work on the west side. He reports the land emergence there is about 7 to 8 feet, which corresponds with a recent USGS release on land emergence reporting a rise of over 30 feet of part of Montague Island. Richter reports that although nothing of direct economic significance has been uncovered, the final results of the work will lead to a better understanding of the rocks and structure in the Chugach geosyncline.

Art Rose and Gordon Herreid have covered four areas that were free of snow in the Paxson vicinity. Herreid is now on the Seward Peninsula, and Rose will continue in the Paxson area. Some work was done on the ultrabasics in the Eklutna area while waiting for the snow to clear elsewhere.

Bob Saunders is doing geochem work in the Paxson area, Will Burand in the Chantanika River drainage, Martin Jasper in the Matanuska River drainage, and Bill Race has covered three areas in Southeast Alaska, two of them where new logging roads have made new areas accessible.

### ALASKA MAP ADVISORY COMMITTEE

The Alaska Map Advisory Committee (James A. Williams, Chairman, Box 1391, Juneau) has received a request from the U.S. Geological Survey for recommendations for topographic mapping for the Survey's long range program. Specifically, the Survey wants recommendations from the Committee on the following three items for its 8-, 12- and 16-year programs:

- (1) What existing 1:63,360-scale (1"=1 mile) maps should be revised.
- (2) What limited number of areas should be mapped at the large scale of 1:24,000. (This has been done for Anchorage and vicinity.)
- (3) Only two areas remain in Alaska which have not been mapped at 1:63,360--(a) a large area in northern Alaska between 66° and 70° north latitude and between 141° and 162° east longitude, and (b) a relatively small area containing parts of the Bering Glacier, Mt. St. Elias, and Yakutat quadrangles. What parts of these two areas should be mapped at 1:63,360.

The Committee will probably meet in August to prepare its recommendations. It will be pleased to receive recommendations or comments on the above items from any resident or organization having an interest in the progress of topographic mapping in Alaska. Comments may be sent to the Chairman at the above address.

### DM&M ASSAYING SERVICES

Until our new building is constructed in Anchorage and the assay furnace installed, we will not be able to do any fire assaying (this is the method for gold and silver) at Anchorage. Persons wishing assays for gold should send their samples to the Fairbanks lab (Room 105, State office Building, Fairbanks) or to the Ketchikan lab (Box 1408, Ketchikan). Because of the large increase of geochemical analyses which the assayers will be required to do this year, fire assaying will not be scheduled more often than once a week, and perhaps less, depending on the current relative backlogs of samples.

### AMENDED OIL AND GAS CONSERVATION REGULATIONS

We now have available the amended Oil and Gas Conservation Regulations and the revised Oil and Gas Conservation Act (Alaska Statutes Title 31) together in booklet form. This booklet may be obtained from us by mail from our Juneau office (Box 1391) or "over the counter" at our Anchorage office (temporarily 800 L Street). Just ask for the Oil and Gas Conservation Regulations and Statute. Leasing regulations are not included.

At the same time, we want to revise and bring up-to-date our oil and gas conservation industry mailing list. This is the list of those who wish to be informed of conservation matters of general interest such as hearings, and regulation changes concerning drilling, production, secondary recovery, etc. Leasing matters are not included. Those wishing to be included on our oil and gas conservation mailing list should notify our Juneau office, and may do so when requesting the regulations and statute booklet.

## ALASKAN COAL MINING STATISTICS

Some comparative coal production statistics from a recent paper will help to dispel some common ideas of Alaskan high costs and unusually difficult conditions. The paper "Coal Mining in Alaska", was delivered by Douglas W. Huber, Chief Engineer, Evan Jones Coal Company, at the Alaska AIME Conference at College, Alaska, March 1964. Statistics of particular interest from Mr. Huber's paper are in the following three paragraphs. Unless otherwise noted, the statistics pertain to the year 1962.

The average number of days worked per year in Alaskan coal mines was 302 as compared to the national average of 199. The closest to Alaska was Illinois with 232, and the majority of the States were below 200. Alaska was highest over a 10-year period except for 2 years when Kansas exceeded Alaska.

Production per man-day for underground and strip mines was 18.5 tons in Alaska compared to the national average of 14.7. In underground mines alone, Alaskan mining exceeded the U.S. average by 8 tons per man-day. Average U.S. strip mines put Alaska behind at 18.4 versus 26.8 tons/man-day, but deleting the few giant shovels and draglines in the U.S., Alaska strip mines parallel U.S. averages for mines with similar equipment.

The average Alaskan price was \$7.35/ton F.O.B. mines versus the U.S. average of \$4.48, but was lower than the Alabama price of \$7.39. A 1963 ontract price F.O.B. mine in the Healy River Field was \$6.30 for 8500-BTU coal. The Evan Jones Coal Company (Matanuska Field) contract prices for the past six years for 12,500-BTU coal have descended as follows:

1958	1959	1960	1961	1962	1963
\$12.65	\$12.20	\$11.45	\$9.90	\$8.50	\$7.90

Our own (DM&M) comments are that Evan Jones' price decreased again in 1964, and that this is a most interesting trend that is likely to continue and shows what can be done by good management and miners working together.

### DM&M GEOLOGIC REPORTS

The following geologic reports are now available, at 75¢ each by mail from our Juneau office (Box 1391) or "over the counter" at our Anchorage, Fairbanks, and Ketchikan offices:

Geology of the Portage Creek-Susitna Area by D.H. Richter

Geology and Mineral Deposits of the Denali-MacLaren River Area by M.A. Kaufman

Geology of the Niblack Anchorage Area, Southeast Alaska by G. Herreid

Geology and Mineral Deposits of the Ahtell Creek Area, Slana District by D.H. Richter

Still in preparation but ready soon is Geology of the Dry Pass Area, Southeast Alaska, by G. Herreid and M.A. Kaufman. Orders for it may now be placed with the Juneau office.

# SALE OF FORECLOSED MINING CLAIMS

The Division of Lands reports that it is ready to sell at public auction a number of patented mining claim groups in the Kenai and Valdez Recording Districts. The date and place of the sale or sales have not yet been set. U.S. Mineral Survey No's, acreages, and general locations of groups of claims to be offered are tabulated below. For further information, contact the Lands Disposal Officer, State Division of Lands, 344 Sixth Avenue, Anchorage.

<u>USMS No.</u>	<u>Acreage</u>	<u>Location</u>
1449	300.9	4 miles above Hope
669	70.2	Landlocked Bay, Prince William Sound
736	110.9	Drier Bay, Knight Island
737	52.3	Landlocked Bay, Prince William Sound
783 A & B	115.5	Copper Mountain, Prince William Sound
879	75.9	Copper Lake, Prince William Sound
950	22.0	Shoup Bay, Prince William Sound
954	135.2	Drier Bay, Knight Island

# E. AND M. J. METAL MARKET PRICES

	<u>June 29,</u> <u>1964</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	32¢	32¢	31¢
Lead, per lb.	13¢	13¢	10.5¢
Zinc, per lb.	13.5¢	13.5¢	11.5¢
Tin, per lb.	153.25¢	139.75¢	117.0¢
Nickel, per lb.	79¢	79¢	79¢
Platinum, per oz.	\$87-90	\$88	\$77-80
Mercury, per flask	\$268-271	\$265-268	\$182-185
Antimony ore, per unit	\$7.75-8.50	\$7.75-8.50	\$4.25-4.35
Beryllium ore, per unit	Not Quoted	Not Quoted	Not Quoted
Chrome ore, per long ton	Not Quoted	Not Quoted	\$36-38
Molybdenum conc., per lb.	\$1.55	\$1.55	\$1.40
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$16-18	\$16-18	\$16-18
Silver, New York, per oz.	129.3¢	129.3¢	127.8¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	90.5¢