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DIVISION OF MINES AND MINERALS

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Northwestern - Mr. M.J. O'Shaughnessy, General Manager of the New Mines Division of the Kennecott Copper Corporation, revealed plans recently for the development of the Ruby Creek copper deposit. The company plans to spend several million dollars there in the next two years assessing the deposit by shafting, drifting, and drilling. They will then spend several more million establishing a flotation plant. He anticipates hiring about one hundred people, most of whom will be local inhabitants. The company will open an office in Fairbanks that will have teletype contact with the mine.

Mr. O'Shaughnessy estimates Alaska's mineral potential at more than five billion dollars. This figure was based on an area comparison with such countries as England, Poland, Russia and Canada.

Central - A report from the Rampart area indicates that very little placer mining was done. Several individuals stripped ground on Little Minook, Hoosier, Hunter, Ruby, Slate and Big Minook Creeks in preparation for mining next season when water is available.

Southeastern - Bonanza Gold, Inc., of Spokane, Washington, has completed work for this year on its Jumbo claims on Hetta Inlet, Prince of Wales Island. Boyles Brothers drilled a total of 1,700 feet of diamond drill holes and 3½ miles of geophysical lines were run by Electronic Geophysical Surveys, Ltd. of Vancouver, B.C. The claims are part of the holdings of the old Jumbo copper mine and the drilling was done as a follow up on geophysical work accomplished last year.

COAL NEWS

Usibelli Coal Mines, Inc., has completed about eight miles of road to a new pit on the Roth Lease. They plan to haul coal from the Moose Bed, which is about 50 feet thick.

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OIL NEWS

Drilling Activity:

| <u>Operator</u> | <u>Well Name & Number</u> | <u>Status 12/22/64</u> |
|-------------------------------|-------------------------------|------------------------|
| Pan American Petroleum Corp. | West Foreland Unit #1 | Suspended |
| Union Oil Company | Kenai #13-B | Abandoned |
| B.P. Exploration | Kuparuk #1-A | Abandoned |
| Humble Oil & Refining Company | Tyonek Reserve #1 | Drilling |
| B.P. Exploration | Itkillik Unit #1 | Rigged Up |

Production, Swanson River Field, Hemlock Zone:

| | <u>Producing Wells</u> | <u>Oil Barrels</u> | <u>Gas (MCF)</u> |
|--------------------------------|------------------------|--------------------|------------------|
| November 1964 | 54 | 908,956 | 269,791 |
| Cumulative to December 1, 1964 | | 38,319,558 | 8,869,140 |

Production, Kenai Gas Field:

| | | | |
|--------------------------------|---|--|-----------|
| November 1964 | 4 | | 511,546 |
| Cumulative to December 1, 1964 | | | 8,626,544 |

Production, Sterling Gas Field:

| | | | |
|--------------------------------|---|--|---------|
| November 1964 | 1 | | 6,681 |
| Cumulative to December 1, 1964 | | | 117,911 |

Production, Swanson River Field, Kenai Zone:

| | | | |
|--------------------------------|---|--|-----------|
| November 1964 | 4 | | 208,152 |
| Cumulative to December 1, 1964 | | | 8,557,876 |

Gas Injection, Swanson River Field, Hemlock Zone:

| | | | |
|--------------------------------|---|--|------------|
| November 1964 | 3 | | 351,715 |
| Cumulative to December 1, 1964 | | | 11,739,771 |

During the month only one drilling permit was issued. The proposed well is Itkillik #1 - B.P. Exploration Company, Operator. 2272' FSL and 965' FEL, Sec. 11, T1N-R6E, UP Meridian. This location is approximately eleven miles north and six miles east of D.P. Exploration Company's Kuparuk #1 on the Arctic Slope.

In Cook Inlet Basin, Pan American drilled to 4700' in their West Foreland Unit #1 after cementing 13 3/8" casing at 2019'. This and all other offshore wells have been plugged and suspended until spring. Shell Oil Company, however, has finished tying down its platform at Middle Ground Shoal and is continuing operations with expectations of spudding in a well sometime in February. Only one well is actually

OIL NEWS - Contd.

drilling at present. Humble Oil & Refining Company is drilling below 12,000' in its Tyonek Reserve #1.

The State's 13th Competitive Lease sale on December 9 resulted in total bids of \$5,611,749.97 being accepted for 733,768 acres. Bids of less than \$1.00 per acre on three parcels totaling 5895 acres were not accepted. The distribution of the acreage and bonus bids were as follows:

| | | |
|--------------|----------------------|-------------------|
| Arctic Slope | 471,537 acres | \$4,379,759.91 |
| Cook Inlet | 149,089 acres | 1,005,860.09 |
| Kodiak | <u>113,142</u> acres | <u>176,121.97</u> |
| Total | 733,768 | \$5,611,749.97 |

The 113,142 acres in the Kodiak district were adjoining and to the south and east of Tugidak and Sitkinak Islands, and were all obtained by one group composed of Socony Mobil and Atlantic Refining Company.

PROPOSED ASSAY REGULATIONS

Last month we published in the Bulletin some proposed assay regulations and asked for comments or statements. The purpose of the proposed regulations is to establish in legal form a policy in the use of our assay labs and personnel for the public and for our own field men. We also mailed the proposals separately to a long list of persons whom we thought to be interested to insure that they were aware of the proposals. To date, a total of twelve letters have been received from five prospectors, five company exploration men, one private consultant, and one Legislator. Some are in support of the proposals, some are against them, and some only wanted clarification.

January 22 at 5:00 p.m. is the deadline for submitting written or oral statements to the office of the Director, Division of Mines and Minerals, Box 1391, Juneau. All statements will be given careful consideration before adoption of the regulations. Changes will be made as may seem advisable or desirable from statements received. Copies of the proposed regulations may be obtained by mail from the above Juneau address or "over the counter" at the other Division offices.

NEW PUBLICATIONS

U.S. Bureau of Mines, Minerals Yearbook, 1963, in four volumes. Volume I, Metals and Minerals (except Fuels), price \$4.50. Volume II, Fuels, price \$2.50. Volume III, Area Reports: Domestic, price \$4.25. Volume IV, Area Reports: International (price not announced). All volumes may be obtained from the Superintendent of Documents, U.S. Printing Office, Washington, D.C. 20402.

NEW PUBLICATIONS - Contd.

U.S. Geological Survey, Professional Paper 316-H, Geologic Interpretation of Magnetic and Gravity Data in the Copper River Basin, Alaska. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

WELL NEAR EIELSON AIR FORCE BASE

A well 7,500 feet deep is to be drilled at Eielson AFB near Fairbanks under contract for the U.S. District Engineers. The purpose of the well is unknown. It will be cased and cemented, and concrete pads and underground cubicles will be included in the contract.

HANDBOOK FOR SMALL MINING ENTERPRISES
IN MONTANA

The Montana Bureau of Mines and Geology, financed by a grant from the Small Business Administration, has published a "Handbook for Small Mining Enterprises in Montana". The publication contains chapters as follows: Geology for the Small Mine, Ore Reserves, Mineral and Rock Identification, Ore-analysis, Mine Methods and Equipment, Production Costs, Taxes and Insurance, Mine Accounting, Minerals Beneficiation Accounting, Marketing of Minerals and Metallic Ores, and Mine Financing. The study is based on the economic environment of Montana but should be most helpful to small mine operators in other western states. Copies may be purchased for \$2.00 from the Montana Bureau of Mines and Geology, Room 302-D, Montana School of Mines, Butte, Montana.

E. AND M. J. METAL MARKET PRICES

| | <u>December 28 1964</u> | <u>Month Ago</u> | <u>Year Ago</u> |
|--------------------------------|-----------------------------|------------------|-----------------|
| Copper, per lb. | 34.12 | 34¢ | 31.0¢ |
| Lead, per lb. | 16.5 | 15¢ | 12.5¢ |
| Zinc, per lb. | 14.5 | 14.5¢ | 13.0 |
| Tin, per lb. | 155¢ | 191¢ | 132.375 |
| Nickel, per lb. | 79¢ | 79¢ | 79¢ |
| Platinum, per oz. | \$87-90 | \$87-90 | 83 |
| Mercury, per flask | \$475-490 | \$490-505 | 225-230 |
| Antimony ore, per unit | 8.-8.75 | \$8.00-8.75 | 4.50-4.75 |
| Beryllium ore, per unit | Not Quoted | Not Quoted | Not Quoted |
| Chrome ore, per long ton | \$30-35 | 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 | 17-19 | \$17-19 | \$16-18 |
| Silver, New York, per oz. | 129.3 | 129.3¢ | 129.3¢ |
| Silver, U.S. Treasury, per oz. | 129.29 | 129.29¢ | 129.29¢ |

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