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STATE OF ALASKA  
Department of Natural Resources  
DIVISION OF MINES AND MINERALS

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MINING EXPLORATION ACTIVITIES

Higher metal prices are evidently causing an increase in exploration activities in the State. Exploration activity on the Alaska Peninsula continues to expand since the Chignik Bay staking by Pan American Petroleum Company. The high price of mercury has encouraged individuals to prospect the cinnabar province along the Kuskokwim River. Major mining companies have indicated that they will prospect and explore mineralized areas of southeastern Alaska as well as continue their efforts in the Alaska Range. Personnel and freight are being moved into the border area of Southeastern and Granduc (on the Canadian side) is engaged in road construction as well as tunneling and other development work. Kennecott has completed freighting material to the Ruby Creek deposit. Activity should soon increase in the Seward Peninsula where tin and beryllium deposits were being explored last fall. Indications are that this will be the busiest mining exploration season for Alaska in recent years.

OIL NEWS

Drilling Activity:

<u>Operator</u>	<u>Well Name &amp; Number</u>	<u>Status 5/25/65</u>
Standard Oil Co. of Calif.	Birch Hill Unit #22-25	Drilling
Shell Oil Company	M.G.S. Al-3	Drilling
Shell Oil Company	S.R.S. State #1	Drilling
Mobil Oil Company	Granite Point #1	Drilling
Wallace Mining Company	Wallace-Knutson #1	Drilling
Pan American Petroleum Corp.	West Foreland Unit #1	Drilling
Mobil-Atlantic	Moquawkie #1	Repairing Rig
Union Oil Company of Calif.	Trading Bay #1	Abandoned
Union Oil Company of Calif.	Trading Bay #1-A	Drilling
Union Oil Company of Calif.	Kenai Unit #14-4	Reperf & Comp. - Suspended
Union Oil Company of Calif.	Kenai Unit #33-32	Drilling
Union Oil Company of Calif.	Kenai Unit #21-6	Drilling

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
April 1965	53	911,939	270,773
Cumulative to May 1, 1965		42,805,987	10,221,994

OIL NEWS - Continued

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
<u>Production, Kenai Gas Field:</u>			
April 1965	2		476,254
Cumulative to May 1, 1965			11,231,215

Production, Sterling Gas Field:

April 1965	1		7,682
Cumulative to May 1, 1965			163,976

Production, Swanson River Field, Kenai Zone:

April 1965	3		226,278
Cumulative to May 1, 1965			9,569,616

Gas Injection, Swanson River Field, Hemlock Zone:

April 1965	3		382,206
Cumulative to May 1, 1965			13,489,226

Only one drilling permit was issued during May. Union Oil Company's Trading Bay #1-A replaces their #1 which was lost through parting of the casing after cementing surface casing at 696'.

A spacing exception by Conservation Order #17 was approved for Mobil Oil Company's Moquawkie #1. This well is repairing rig after a low pressure gas fire which damaged the substructure and draw-works after drilling to about 1500'.

Public Hearing Rescheduled - The Division's hearing on proposed regulations to govern shallow offshore core drilling for stratigraphic information has been rescheduled. Originally set for April 22, it was continued to a later date at the request of the majority present at the appointed time and place when it was shown that no exploration work would thus be delayed. The hearing is now scheduled for 9:30 AM, Tuesday, July 13, 1965, in the City Council Chambers of the Z.J. Loussac Library, Anchorage.

The proposed regulations will comprise a new subchapter in the Oil and Gas Conservation Regulations and are authorized by AS 31.05.030. They will be effective on leased as well as unleased tide and offshore lands. A stipulation on all State leases allows the State to provide for drilling (but not production) by others to a depth of 1000 feet. An amendment to

an existing section on the subject of well site surveys may also be proposed.

Copies of the proposed regulations will be mailed from the Juneau office of the Division of Mines and Minerals to all those on our industry mailing list within a week. Extra copies will be available by mail from our Juneau office (Box 1391) or over the counter at our Anchorage office (800 "L" Street).

Notice of Competitive Oil and Gas Lease Sale No. 14 - The Division of Lands will accept sealed bids for competitive oil and gas leases permitting entry on the surface of the offered lands for the exploration and development of oil and gas for a term of ten years. The sale will be held in the Council Chambers of the Loussac Library, 5th and F Streets, Anchorage, Alaska, at 10:00 AM, A.S.T., July 14, 1965.

Leasing tracts of land included in the sale are located in the Umiat Meridian, are shown on leasing maps, and are described and numbered by township from north to south and by range from west to east as follows:

<u>Tract</u>		<u>Township</u>	<u>Range</u>	<u>Map</u>
C14-1	through 9	13N	11E-12E	U-3-1
C14-10	through 81	9N-12N	11E-12E	U-3-6
C14-82	through 200	9N-12N	13E-16E	U-3-7
C14-201	through 254	9N-11N	17E-20E	U-2-2
C14-255	through 283	9N	21E-24E	U-2-1
C14-284	through 297	7N-8N	23E-24E	U-2-4

Total acreage included in the sale is 754,033,000 acres, comprising a total of 297 leasing tracts.

Nominations Requested for a September Oil Sale - In order to give as much advance notice as possible concerning competitive oil and gas lease sales, the State of Alaska, Division of Lands announces it is planning to hold a sale the latter part of September, 1965.

Because of interest shown, the general area receiving primary consideration for this sale is the Cook Inlet Basin. Some of the acreage not now under lease and which should be considered for nomination and/or inclusion in this sale is listed as follows:

1. Offshore lands in the vicinity of Fire Island, 15,597 acres  
in Tws. 12-13N, Ranges 5-6W, S.M.
2. Other offshore lands in upper Cook Inlet, approximately  
175,000 acres in Tws. 10N-R5W; Tws. 11-14N, Ranges 7-8W;  
Tws. 7N-R13W; T8N, Ranges 10-11W; Tws. 9-12N, Ranges 9-11W,  
S.M.
3. Offshore lands - Kalgin Island (within 3-mile limit)  
44,449 acres in Tws. 3-5N, Ranges 14-16W, S.M.
4. Offshore lands - Redoubt Bay (within 3-mile limit)  
44,609 acres in Tws. 4-7N, Ranges 15-18W, S.M.

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5. In addition, there are upland tracts which will be considered if specifically nominated.

Nominations should be submitted as soon as possible and must be submitted by August 2, 1965, in order to receive consideration for this sale.

All nominations will be treated as strictly confidential and should be addressed to the Director, Division of Lands, 344 6th Avenue, Anchorage, Alaska, and mailed in double envelopes with the inside envelope clearly marked "oil and gas competitive lease sale nomination - confidential."

The exact time, date, and place of the sale and specific tract designation will be published not later than one month in advance of the sale.

#### NEW PUBLICATIONS

U.S. Geological Survey, Open File, Tertiary Stratigraphy and Paleobotany of the Cook Inlet Region, Alaska, by Jack A. Wolfe, David M. Hopkins, and Estella B. Leopold. Available for reading at DM&M Juneau office, U.S.G.S. offices at Juneau, Anchorage and College.

U.S. Geological Survey, Map I-415, Map Showing Extent of Glaciations in Alaska, compiled by the Alaska Glacial Map Committee. For sale at U.S.G.S. map distribution offices in Alaska; Denver, Colorado, and Washington D.C.

Division of Mines and Minerals, Geologic Report No. 12, Geology of the Bear Creek Area, Seward Peninsula, Candle Quadrangle, Alaska, by Gordon Herreid. A 16 page report with maps. The map area is largely underlain by andesitic greenstone intruded by various acidic rocks. Dikes and small intrusives appear to be more abundant near a large fault which lies along Bear Creek, but they do not follow it. Gold, lead, and zinc deposits are associated with mafic syenite dikes and possibly with altered diorite. Gold placers exist in the belt, one of which is closely associated with a lead-zinc-gold deposit on Bear Creek. Other similar associations are likely. Geochemical sampling indicates an extension of the Bear Creek prospect.

Division of Mines and Minerals, Geochemical Report No. 4, Geochemical Investigations of Selected Areas in Southcentral Alaska, 1964, by M.W. Jasper. Thirty-one pages including maps. Samples of stream sediments in easily accessible areas north of Anchorage were analyzed for various metals. While no outstanding anomalies were found, there were two anomalous areas indicated.

Division of Mines and Minerals reports are available over the counter at Division of Mines and Minerals office in Juneau, Fairbanks, and Anchorage, and by mail from Box 1391, Juneau. Price \$1.00 each.

SALE OF PATENTED MINING CLAIMS

The Division of Lands will hold the sale of foreclosed patented mining claims on the Seward Peninsula on July 28, 1965, in Nome. These are properties which are now owned by the State through foreclosure because of nondeclaration of ownership or nonpayment of taxes. Prior to the sale, a property may be redeemed by proof of legal ownership. Redemption cannot be accomplished after the sale. Conveyance of title will be by quit claim deed. A tabulation of the mineral properties planned to be sold is shown below. Some other lands will be offered at the same sale. The sale will be a public auction, and the minimum acceptable bid will be the appraised value as shown in the table. If no one bids on a property during the sale, it may be purchased later "over the counter" at the Division of Lands at not less than the appraised value. In the tabulation, "USMS" is the U.S. Mineral Survey Number, and "Sec T R" indicates the section, township and range (all from the Kateel River Meridian) within which part or all of the USMS lies. Where more than one USMS is included in a unit, the total acreage of the unit is found by adding the acreages of the included USMS's. Further information can be obtained from the Division of Lands, 344 Sixth Avenue, Anchorage, Alaska.

Unit	USMS	Acreage	Value	Sec.	T	R	Quadrangle	General Location
1	1186	12.386	\$300	11	11S	34W	Nome (C-1)	4 mi. N of Nome
2	459	36.334	\$200	36	10S	34W	Nome (C-1)	6 mi. N of Nome
3	781	15.239	100	27	10S	34W	Nome (C-1)	6 mi. N of Nome
4	1174	37.249	200	27	9S	34W	Nome (C-1)	12 1/2 mi. NW of Nome
5	1126	62.510	325	25	10S	34W	Nome (C-1)	6 1/2 mi. NE of Nome
6	491	8.696	100	30	10S	33W	Nome (C-1)	6 mi. NE of Nome
7	1121	14.018	100	30	10S	33W	Nome (C-1)	6 mi. NE of Nome
8	596	16.178	100	30	10S	33W	Nome (C-1)	6 mi. NE of Nome
9	417	15.008	100	31	10S	33W	Nome (C-1)	1/2 mi. S head Dexter Cr.
10	331	11.784	100	31	10S	33W	Nome (C-1)	Dexter Cr. 1 3/4 mi. from Nome River
11	465	15.442	100	7	11S	33W	Nome (C-1)	3 1/2 mi. NE of Nome
12	740	145.698	875	16	11S	34W	Nome (C-1)	2 1/2 mi. NW of Nome
	741	12.598		21	11S	34W	Nome (C-1)	2 1/2 mi. NW of Nome
	742	15.627		21	11S	34W	Nome (C-1)	2 1/2 mi. NW of Nome
13	1346	31.673	300	15	11S	33W	Nome (C-1)	5 mi. NE of Nome
14	1322	19.884	100	7	11S	32W	Nome (C-1)	8 air mi. NE of Nome
15	1190	34.214	900	23	11S	34W	Nome (C-1)	3/4 mi. N of Nome
16	1385	12.349	100	11	9S	35W	Nome (C-2)	18 air mi. NW of Nome
17	1369	12.202	350	22	9S	35W	Nome (C-2)	Oregon Creek
	1366	36.360		22	9S	35W	Nome (C-2)	Oregon Creek
	1383	16.346		22	9S	35W	Nome (C-2)	Oregon Creek
18	1365	19.986	200	27	9S	35W	Nome (C-2)	Oregon Creek
	1384	19.169		27	9S	35W	Nome (C-2)	Oregon Creek
19	1343	16.114	100	8	10S	34W	Nome (C-2)	Sledge Creek
20	1291	18.092	100	36	10S	35W	Nome (C-2)	Sunset Creek
21	482	31.155	175	36	10S	35W	Nome (C-2)	Sunset Creek
22	1213	122.553	625	6	11S	34W	Nome (C-2)	7 1/2 mi. NE of Nome
23	1355	19.906	100	20	11S	34W	Nome (C-2)	3 mi. W of Nome
24	651	55.771	1400	30	11S	33W	Nome (B-1, C-1)	1 mi. E of Nome
25	1259	25.171	400	32	11S	33W	Nome (B-1)	2 3/4 mi. E of Nome
26	1266	39.116	400	7	12S	32W	Nome (B-1)	7 1/2 mi. E of Nome
27	416	25.060	150	9	12S	32W	Nome (B-1)	9 1/2 mi. E of Nome

28	1165	15.512	100	11	6S	25W	Solomon (D-4)	6 1/2 mi. N Council Village
29	1238	9.353	100	23	6S	25W	Solomon (D-4)	5 mi. N Council Village
30	1172	17.025	100	32	6S	25W	Solomon (D-4)	Melsing Creek
31	1280	68.712	700	7	7S	27W	Solomon (D-5)	Casadepaga River
	1200	64.491		7	7S	27W	Solomon (D-5)	Casadepaga River
32	1101	92.999	475	34	7S	28W	Solomon (D-5)	Casadepaga River
33	752	15.627	100	7	9S	28W	Solomon (C-5)	Butte Creek
34	751	100.713	525	17	9S	28W	Solomon (C-5)	Butte Creek S Fork
35	415	17.989	100	4	10S	28W	Solomon (C-5)	Big Hurrah Creek
36	1856	16.742	100	2	10S	28W	Solomon (C-5)	Big Hurrah Creek
37	1147	179.352	900	31	1N	29W	Bendeleben (B-6)	Kougarok River
38	409A &	31.850	500	15	2N	45W	Teller (C-7) &	2 mi. W of Tin City
	409B	2.103		23	2N	45W	Teller (C-6)	1/2 mi. NW of Tin City
39	37	19.91	200	23	5S	20W	Bendeleben (A-2)	SW slope Omilak Mt.
	38	19.98		23	5S	20W	Bendeleben (A-2)	SW slope Omilak Mt.
40	1168	10.306	100	6	4N	30W	Bendeleben (D-6)	Dick Creek

E. AND M.J. METAL MARKET PRICES

	<u>May 24 1965</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	36.¢	34.¢	32.¢
Lead, per lb.	16.¢	16.¢	32.¢
Zinc, per lb.	14 1/2.¢	14.5¢	13.5¢
Tin, per lb.	197.45¢	183.35¢	139.75¢
Nickel, per lb.	79.¢	79.¢	79¢
Platinum, per oz.	\$97-100	97-100	\$88
Mercury, per flask	\$650-670	510-520	\$265-268
Antimony ore, per unit	\$7.80-8.50	7.80-8.50	\$7.75-8.50
Beryllium ore, per unit	Not Quoted	Not Quoted	Not Quoted
Chrome ore, per long ton	\$31-35	30-35	Not Quoted
Molybdenum conc., per lb.	\$1.55	\$1.55	\$1.55
Titanium ore, per ton	\$23-26	23-26	\$23-26
Tungsten ore, per unit	\$25.50-26.00	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¢