

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

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GEOLOGICAL SURVEY

P. O. Box 1391
Juneau, Alaska

MINES AND PETROLEUM BULLETIN

October, 1965

MINING ACTIVITIES

Southcentral - Charles Awe has purchased No. 2 dredge from the New York-Alaska Gold Dredging Corp. The dredge, the smallest of three operated by the company at Nyac, will be moved to Awe's ground on Marvel Creek southwest of Nyac.

The Fullerton Brothers are actively mining at Flat.

The Wrangell Consolidated Mining Company is mining surface copper ore in the vicinity of the old Kennecott Mine. The company estimates the talus contains at least 300,000 tons of recoverable ore and has erected a heavy-media plant to up-grade the ore for shipping.

COAL NEWS

Evan Jones Coal Mine has a crew of 100 people employed at the open pit mine near Palmer. Paul Omlin is producing and stock piling coal at the Premier Mine.

Vitro Minerals dedicated their new open pit mine near Healy on the 30th of September. About 50 dignitaries and visitors attended. The mine mouth power plant at Healy is progressing on schedule.

OIL NEWS

During the month of September six permits to drill were issued by the petroleum branch. All are to be bottomed on State of Alaska leases. They are as follows:

Union Oil Company of California - Grayling #1 State - 1980' N & 1980' W of S.E. Corner, Section 29, T9N-R13W, S.M. This location was abandoned at a very shallow depth because of mechanical difficulties and a second try was made at the following location.

Grayling #1-A State - 2080' N & 1980' W of S.E. Corner, Section 29, T9N-R13W, S.M.

OIL NEWS (Continued)

Shell Oil Company - S.R.S. - M.G.S. State A-3-14 platform location (conductor #4) 1627' N & 435' W of S.E. Corner Section 11, T8N-R13W, S.M. Bottom hole location, 1980' E & 1980' N of S.W. Corner Section 12, T8N-R13W, S.M. This is the third development well from the Shell platform.

Texaco, Inc. - Nicolai Creek State #1 - Bottom hole location, 660' S & 660' W of N.E. Corner, Section 31, T11N-R12W, S.M. Surface location, 3500' S & 300' W of N.E. Corner, Section 30, T11N-R12W, S.M. This well is drilled on lands tentatively approved to the State and bottoms on submerged lands owned by the State.

Pan American Petroleum Corporation - C.I. State 18741 well #1 - 660' N of SL, 1980' W of E.L., Section 8, T11N-R9W, S.M. This well will be Pan American's third hole on the Cook Inlet structure. It lies more than a mile away from previous wells and is intended to extend the field to the east.

Texaco, Inc. - Trading Bay State #1 - 990' N & 990' E of S.W. Corner, Section 34, T10N-R13W, S.M. This is an offshore development well less than a mile northeast of Union Oil Company's Trading Bay 1-A discovery well.

Pan American Petroleum Corporation - C.I. State 18740 Well #1 - 660' SNL & 660' WEL, Section 11, T11N-R10W, S.M. This well is Pan American's fourth hole on the Cook Inlet structure. It lies more than a mile from any previous holes and is intended to extend the field to the west.

Approximately three times as many permits to drill have been issued this year as in the equivalent period last year.

Granite Point #1 certified as a Discovery Well - The Alaska Division of Lands has certified the Granite Point #1 as the discovery well on the Granite Point structure. This certification is based in part on the Alaska Oil and Gas Conservation Committee's finding of fact regarding the establishment of priority as to time and date of discovery, establishment of commercial quantities, and establishment of geologic structure.

The discovery date was May 16, 1965, and the effective starting date of the ten-year period of 5%, rather than 12½%, royalty rate to the State is June 1, 1965.

Drilling Activity:

<u>Operator</u>	<u>Well Name & Number</u>	<u>Status 9/27/65</u>
Shell Oil Company	S.R.S. S. Cook Inlet St. #2	Drilling
Shell Oil Company	M.G.S. A-2-1	O.W. - S.I.

OIL NEWS (Continued)

<u>Operator</u>	<u>Well Name & Number</u>	<u>Status 9/27/65</u>
Shell Oil Company	M.G.S. A-3-4	Rigging up
Wallace Mining Company	Wallace-Knutson #1-A	Drilling
Mobil-Atlantic	Moquawkie #1	Drilling
Union Oil Company of Calif.	Trading Bay #3	Abandoned
Pan American Petroleum Corp.	Tyonek State 17587 #2	Testing
Pan American Petroleum Corp.	Cook Inlet State 18741 #1	Location
Standard Oil Co. of Calif.	North Fork Unit 41-35	Drilling
Pan American Petroleum Corp.	M.G.S. 18746 #1	Drilling
Union Oil Company of Calif.	Grayling #1	Abandoned
Union Oil Company of Calif.	Grayling #1-A	Drilling
Texaco, Inc.	Nicolai Creek St. #1	Location
Texaco, Inc.	Trading Bay St. #1	Location
Pan American Petroleum Corp.	C.I. State 18740 #1	Location

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
August 1965	48	946,856	332,410
Cumulative to September 1, 1965		46,539,815	11,651,659

Production, Kenai Gas Field:

August 1965	3	224,405
Cumulative to September 1, 1965		12,400,867

Production, Sterling Gas Field:

August 1965	1	7,804
Cumulative to September 1, 1965		196,444

Production Swanson River Field, Kenai Zone:

August 1965	2	152,115
Cumulative to September 1, 1965		10,242,289

Gas Injection, Swanson River Field, Hemlock Zone:

August 1965	3	344,363
Cumulative to September 1, 1965		14,916,766

NEW PUBLICATIONS

Division of Mines and Minerals Geologic Report #9, A Geologic and Geochemical Traverse Along the Nellie Juan River, Kenai Peninsula, Alaska, by G. Herreid. No charge.

NEW PUBLICATIONS (Continued)

U.S. Bureau of Mines, Open File Report, Beryllium Investigations at the Lost River Mine, Seward Peninsula, Alaska, by Robert V. Berryhill and others.

U.S. Bureau of Mines, Open File Report, Diamond-Drill Sampling Data, Fluorite Beryllium Deposits, Lost River Valley, Seward Peninsula, Alaska, by John J. Mulligan and others.

The two latter reports of 94 and 71 pages respectively are available for reading only at various U.S. Bureau of Mines offices and the Juneau office of the Division of Mines and Minerals.

U.S. Geological Survey, Professional Paper 525-C. The second volume in a series of short paper summaries relating to the Survey's research program during fiscal 1965. The volume consists of 44 papers, 219 pages, and 122 illustrations. Five of the papers are summaries of work accomplished by individuals in Alaska. The publication is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. (Price \$2.00).

PROSPECTORS ASSISTANCE PROGRAM

Reports of work accomplished while participating in the Prospectors Assistance Program are beginning to be received by this office. One participant located a promising gold occurrence and another has apparently made a nickel discovery. All participants are requested to present their reports, bills, and maps by the end of this month so that reimbursement can be made and the bookkeeping of the program completed by the end of the year. Those who did not participate as intended should notify this office to this effect.

1965 MINING SHOW

The American Mining Congress Mining Show will be held October 11-14 in Las Vegas. The show is noted for its display of modern mining equipment arranged by leading manufacturers from the various states. In addition to the show many programs of interest to the mining industry are presented during the morning and afternoon sessions. The principal speaker will be the Honorable John A. Carver, Jr., Under Secretary of the Interior, whose topic will be, "Mineral Policies Administration in the Interior Department."

U.S. FOREST SERVICE PROPOSES NEW RULES

The U.S. Forest Service is proposing new rules for mining claims in National Forests, including the following:

U.S. FOREST SERVICE.... (Continued)

"On mining claims existing prior to September 3, 1964, claimants shall, as directed by the Forest Service and if application for patent is not pending, take all reasonable measures to remove improvements hereafter installed and no longer needed for mining purposes.....restore, as near as practicable, the original contour of the surface of the land hereafter disturbed and no longer needed in performing locations and exploration, drilling and production, and promote its revegetation by natural means. On claims located on or after September 3, 1964, and prior to midnight December 31, 1983, claimants shall take all reasonable measure to remove improvements....."

AIME REGIONAL CONFERENCE

Plans are being completed for the 1966 Pacific Northwest Minerals and Metals Conference to be held at Seattle on April 21 and 22. The Conference, to be held at the Olympic Hotel, is sponsored by the North Pacific Section AIME and the Puget Sound Chapter of ASM. The two-day meeting will feature papers on Exploration and Geology, Mining, Minerals Processing, Nuclear Explosives, Extractive Metallurgy and Physical Metallurgy.

U. OF A. MINING EXTENSION SHORT COURSE SCHEDULE

Instructor:	Henry Waterfield		Leo Mark Anthony	
Oct. 18	- Nov. 12	Nome	Oct. 18	- Nov. 19 Anchorage
Nov. 15	- Dec. 10	Kotzebue	Nov. 22	- Dec. 22 Fort Richardson
Dec. 13	- Jan. 21	Juneau	Jan. 3	- Feb. 4 Anchorage
Jan. 24	- Feb. 18	Ketchikan	Feb. 7	- Mar. 11 Chugiak
Feb. 21	- Mar. 18	Homer	Mar. 14	- April 15 Anchorage
Mar. 21	- April 15	Kodiak	April 18	- April 29 Ketchikan (Geo-chemical)
April 18	- May 13	Bethel	May 2	- May 13 Anchorage (Geo-chemical)

PROPOSED OPENING OF COAL LANDS

The Division of Lands proposes to hold a simultaneous filing period for coal prospecting permits from November 1 through November 30, 1965, opening all lands posted on the ADL records since April 1, 1964.

There will be three legal publications of the notice in an Anchorage paper during October.

Interested people may write Pedro Denton, Minerals Leasing Officer, State Division of Lands, 344 6th Avenue, Anchorage, Alaska.

E. AND M.J. METAL MARKET PRICES

	<u>September 27 1965</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	36¢	36¢	33.45¢
Lead, per lb.	16¢	16¢	14¢
Zinc, per lb.	15¢	14.5¢	13.5¢
Tin, per lb.	192¢	187 3/4¢	195.¢
Nickel, per lb.	79¢	79¢	79¢
Platinum, per oz.	\$97-100	\$97-100	\$87-90
Mercury, per flask	\$630-640	\$590-630	\$335-340
Antimony ore, per unit	\$6.00-7.25	\$6.00-7.25	\$8.25-9.40
Beryllium powder, 98%, per lb.	\$54-66	\$54-66	Not Quoted
Chrome ore, per long ton	\$31-35	\$31-35	Not Quoted
Molybdenum conc., per lb.	\$1.55	\$1.55	\$1.55
Titanium ore, per ton	\$21-24	\$21-24	\$23-26
Tungsten ore, per unit	\$26.00-26.50	\$22.75-23.75	\$17-19
Silver, New York, per oz.	129.3¢	129.3¢	129.3¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	129.29¢