

PROPERTY OF
LIBRARY
STATE OF ALASKA

State of Alaska

Department of Natural Resources

DIVISION OF MINES AND MINERALS

DIVISION OF GEOLOGICAL SURVEY
P. O. Box 1391
Juneau, Alaska

MINES AND PETROLEUM BULLETIN

November, 1965

Vol. XIII

No. 11

MINING ACTIVITIES

Southcentral - A recently-announced discovery of iron in the vicinity of Iliamna Lake made by the U.S. Geological Survey has apparently been staked by the Atlantic Refining Company, a major oil firm. The deposit consists of about 20 iron-rich outcrops over a length of about one mile. The iron content of the rock is reported to be about 20 percent, and the iron content of the magnetite is about 70 percent. The titanium content is about 1 percent.

OIL NEWS

During the month of October the Petroleum Branch issued the following permits to drill:

Sinclair Oil and Gas Company - Colville #1, 216' E of WL and 940' N of SL, Section 25, 12N-7E, U.P.M. This well will be the first test of a rather large block of competitive leases purchased from the State of Alaska west of the Colville River delta. Actual drilling is expected to start by November 15, 1965.

Pan American Petroleum Corporation - Tyonek State 18742 Well #2 - 660' N of SL and 1980' E of WL, Section 31, 11N-11W, S.M. This is a development well in the Granite Point Field.

Progress being made in Offshore Pipeline Project - Over four miles of the projected six mile pipeline to the Shell offshore platform at Middle Ground Shoal has been laid. The operation started from the shore treating facility site about 3 miles north of Nikiski terminal and is progressing first to the Shell platform and then to the Pan American platform. Two 8" lines are being laid simultaneously by a specially-equipped pipeline-laying barge assisted by as many as 7 ocean tugs totalling 14,200 horsepower. The high fall tides temporarily slowed the operation.

Pan American Petroleum Corporation extends producing area at Middle Ground Shoal - Production tests on the M.G.S. 18746 Well #1 were announced October 15, 1965 by Pan American Petroleum Corporation, which operates the well for itself, Sinclair Oil and Gas Company, Skelly Oil Company, and Phillips Petroleum Corporation. This well averaged a 2,129 barrel per day rate of 34° gravity oil through perforations from 9176' to 9680'.

This well extends the Middle Ground Shoal producing area more than four miles to the south. It was drilled from the WODECO II drilling vessel.

Drilling Activity:

<u>Operator</u>	<u>Well Name & Number</u>	<u>Status 10/25/65</u>
Shell Oil Company	S.R.S. So. Cook Inlet St.#2	Drilling
Shell Oil Company	M.G.S. A-3-4	Drilling
Wallace Mining Company	Wallace-Knutson #1-A	Idle
Mobil-Atlantic	Moquawkie #1	Drilling
Pan American Petroleum Corp.	Tyonek State 17587 #2	Suspended
Pan American Petroleum Corp.	Cook Inlet St. 18741 #1	Location
Standard Oil Company of Calif.	North Fork Unit 41-35	Drilling
Pan American Petroleum Corp.	M.G.S. 18746 #1	O.W. - S.I.
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	Drilling
Pan American Petroleum Corp.	Tyonek St. 18742 #2	Drilling

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
September 1965	51	912,001	343,640
Cumulative to October 1, 1965		47,451,816	*11,843,184

Production, Kenai Gas Field:

September 1965	2		309,068
Cumulative to October 1, 1965			12,709,935

Production, Sterling Gas Field:

September 1965	1		9,025
Cumulative to October 1, 1965			205,469

Production, Swanson River Field, Kenai Zone:

September 1965	2		147,506
Cumulative to October 1, 1965			10,389,795

Gas Injection, Swanson River Field, Hemlock Zone:

September 1965	3		338,299
Cumulative to October 1, 1965			15,255,065

*Correction for September 1 - 11,499,544 (instead of 11,651,659)

ADDITIONAL INFORMATION TO BE PROVIDED TO THE PROSECUTOR

ISSUE IN/RE

Number

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

1-13-1

DIVISION NEWS

The Fairbanks Assay Laboratory has been moved from the Fairbanks State Office Building to the University of Alaska campus. Office space is being rented from the University for that purpose, and the Division will also pay the University for the use of its assay equipment. The same Division of Mines and Minerals assayer, Don Stein, is on duty there, and his office is Room 102, Eielson Building. His work will be limited to assaying for gold and silver and making identifications. Samples for base metal and other assays and analyses will be sent to our Anchorage laboratory at 3001 Porcupine Drive, Anchorage, Alaska, 99504.

Robert Saunders and Will Burand, Mining Engineers, will continue to be located in their present offices in the Fairbanks State Office Building.

DEPARTMENT OF FISH AND GAME PROPOSED REGULATION AMENDMENT

A public hearing will be held on the following proposal at 2:00 p.m., November 18, 1965, in the Fish and Game Auditorium, Subport Building, Juneau. This concerns the Fish and Game regulations on working in streams. Oral testimony and written briefs will be accepted at the hearing, and additional written comments will be considered if received in Juneau prior to November 26, 1965. The proposed amendment follows. The new material to be added is underlined.

PROPOSED AMENDMENT FOR REGULATIONS IN TITLE 5 CHAPTER 6, ALASKA ADMINISTRATIVE CODE PROTECTION OF ANADROMOUS FISH

604.02 Information submitted and requested by an operator.

- (a) A notification submitted by an operator shall include the following information:
- (1) A legal description of the area or the name of and location on the particular river, lake, or stream or part thereof in which the operation is to be conducted.
 - (2) The type and extent of the operation as it relates to the use of the river, lake, or stream concerned.
 - (3) If approval is requested for a continuing operation, the continuing use which the operator has established shall be stated.

REGULATIONS

The Fairbanks Area... office... and the... equipment... His... and working... Anchorage...

Robert... and... State Office... building.

REGULATIONS FOR THE PROPOSED TREATMENT AMENDMENT

Public hearing... November... 1955... in the... and... Department... this... regulation... will be... proposed amendments...

PROPOSED AMENDMENT FOR REGULATIONS
CHAPTER 6, ALASKA ADMINISTRATIVE REGULATIONS

Information... by an operator.

(a) A notification... shall include the following:

(1) A brief description of the... and... of... river... which...

(2) The... of... the... (the...)

(3) If... of... containing...

(b) Any operator giving notice as required under Section 602.02 of these regulations may request the Commissioner or his authorized representative to specify individually by name, stream survey number, or location by latitude and longitude the various rivers, lakes and streams or parts of them that are important for the spawning and migration of anadromous fish in the area of his operation as described in such notice. Upon receipt of the request, the Commissioner or his authorized representative shall promptly provide the requested information.

UNIVERSITY OF ALASKA MINERAL TRAINING PROGRAM

The Bureau of Indian Affairs is providing funds for a training program under which the University's College of Earth Sciences and Mineral Industry will teach native Alaskans a nine-month course in minerals and mining operation. The program should provide a comprehensive study of the minerals industry from exploration to recovery.

Kennecott Copper Corporation has indicated it will hire a number of the trainees for its operation at Bornite.

NEW PUBLICATIONS

U.S. Geological Survey, Open File Report, Tectonic Deformation, Subaqueous Slides, and Destructive Waves Associated with the Alaska March 27, 1964, Earthquake. Thirty-two pages and 19 figures. Available for consultation at various U.S.G.S. offices and the DM&M offices in the State.

Bulletin 1187, Quicksilver Deposits of Southwestern Alaska, by C.L. Sainsbury, and E.M. MacKevett, Jr. Available for purchase from the U.S. Government Printing Office, Washington, D.C., and for consultation in the various Alaskan U.S.G.S. and DM&M offices.

THE GRANDUC MINE REFINANCED

Because of increased labor and material costs and delays caused by the February avalanche, refinancing of the Granduc copper deposit program became necessary. Granduc Mines has now leased the deposit to the American Smelting and Refining Company and to Granduc Operating Company, a wholly-owned subsidiary of Newmont Mining Corporation. The original financing by the same companies through purchasing and stock agreements totalled \$55,000,000 while this new arrangement will total \$85,000,000. Newmont in the process is surrendering its stock holdings of Granduc.

The probable expenditure of \$85,000,000 before production starts may come as a surprise to some who think that oil companies are the only large investors.

Start of production of the 7,000 ton per day plant is now planned for 1969.

UNIVERSITY OF ALASKA

The University of Alaska is a public institution of higher learning... The Board of Regents is the governing body of the University...

UNIVERSITY OF ALASKA

The University of Alaska is a public institution of higher learning... The Board of Regents is the governing body of the University...

UNIVERSITY OF ALASKA

The University of Alaska is a public institution of higher learning... The Board of Regents is the governing body of the University...

The University of Alaska is a public institution of higher learning... The Board of Regents is the governing body of the University...

E. AND M.J. METAL MARKET PRICES

	<u>October 25 1965</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	35.15¢	36¢	34¢
Lead, per lb.	16¢	16¢	15¢
Zinc, per lb.	14½¢	15¢	14.4¢
Tin, per lb.	182.4¢	192¢	206.¢
Nickel, per lb.	78¢	79¢	79¢
Platinum, per oz.	\$97-100	\$97-100	\$87-90
Mercury, per flask	\$600-610	\$630-640	\$370-385
Antimony ore, per unit	\$6.00-7.25	\$6.00-7.25	\$8.00-8.75
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	\$27.25-27.75	\$26.00-26.50	\$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¢

U. S. FEDERAL BUREAU OF INVESTIGATION

REPORT OF
SPECIAL AGENT IN CHARGE

NY
100

100-100000
100-100000
100-100000

100-100000
100-100000
100-100000

100-100000
100-100000
100-100000

100-100000
100-100000
100-100000