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DIVISION OF
GEOLOGICAL SURVEY

MINES AND PETROLEUM BULLETIN

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COAL CONTRACTS AWARDED BY THE DEPARTMENT OF DEFENSE

The Federal government awarded a \$1,227,022 coal contract to Usibelli Coal Mine, Inc., for 208,500 tons of coal for delivery to the Fairbanks area military bases for the 1967 fiscal year. A \$1,219,725 coal contract was also awarded to Vitro Minerals Corporation for 208,500 tons of coal for the Fairbanks military bases. Both of these mines are producing lignite from the Nenana Coal Field.

A \$2,529,450 contract was awarded to Evan Jones Coal Company for delivery of 251,000 tons of subbituminous coal from the Matanuska Coal Field to the military bases in the Anchorage area.

OIL AND GAS NEWS

Six applications for permits to drill were approved by the Division's Petroleum Branch during the month.

Ivan River #44-1 - Standard Oil Company of California, Operator - 660' FSL and 660' FEL, Section 1, T13N-R9W, S.M. This location is on the west shore of Cook Inlet about seven miles northeast of the Beluga River Gas Field.

East Middle Ground Shoal State 18751 #1 - Pan American Petroleum Corporation, Operator - Surface location: 2000' FNL and 900' FEL, Section 16, T9N-R12W, S.M. Bottom hole location: 660' FNL and 1980' FWL, Section 16, T9N-R12W, S.M. This location is about four miles northeast of producing wells in the Middle Ground Shoal Field.

Falls Creek Unit #2 - Standard Oil Company of California, Operator - Surface location: 1800' FSL and 1590' FWL, Section 23, T1N-R13W, S.M. Bottom hole location: 980' FNL and 2410' FEL, Section 22, T1N-R13W, S.M. This location is about 3 1/2 miles southwest of the discovery well of the Falls Creek gas field.

MGS State 17595 #8 - Pan American Petroleum Corporation, Operator - Surface location: 2041' FNL and 522' FWL, Section 31, T9N-R12W, S.M. Bottom hole location: 660' FSL and 660' FEL, Section 36, T9N-R13W, S.M. This location is one quarter mile west of operators #7 well which is currently drilling and will be directionally drilled from the Chakachatna Platform.

Cook Inlet State 18741 #2 - Pan American Petroleum Corporation, Operator - 1600' FNL and 1600' FWL, Section 8, T11N-R9W, S.M. This location is about one mile southeast of a shut-in gas well.

West Foreland Unit #3 - Atlantic Richfield Company, Operator - 1980' FNL and 1980' FEL, Section 19, T9N-R13W, S.M. This location is about 1 1/2 miles northwest of the discovery well in the McArthur River oil field.

Increase in Permanent Platforms - Five permanent drilling platforms have now been positioned in Cook Inlet, three of them in the last forty days. Three more are due to arrive within the next two or three months, and by January 1, 1967, it is possible that fourteen wells will be drilling from these eight platforms. This will make year-round operations possible in Alaska's most active oil and gas area.

Shell Oil Company operates the S.A.S. Platform "A" for Atlantic Richfield Company, Standard Oil Company of California and itself. The platform is located in the SE/4, Section 11, T8N-R13W, S.M. in the MGS (Middle Ground Shoal) Field and is equipped with one rotary rig. It was positioned on or about August 16, 1964 and the first well was spudded on April 4, 1965. Since that time, five wells have been drilled and completed and the sixth well is currently drilling. A total of 32 wells can be drilled, eight in each leg of the platform.

Pan American Petroleum Corporation operates the "Chakachatna" Platform for Skelly Oil Company, Sinclair Oil and Gas Company, Phillips Petroleum Company, and itself. Located in the NW/4, Section 31, T9N-R12W, S.M. in the MGS Field, the platform is equipped with two rigs. It was positioned about June 17, 1965 and the first of 32 possible wells was spudded December 17, 1965. Two wells have been drilled and a third is nearing completion. Pan American is expecting another platform about the middle of August for further development of the MGS Field. It will be located in the southeast portion of T8N-R13W and will be equipped similarly.

For the same group listed in the preceding paragraph, Pan American is currently equipping two platforms that are in place in the Granite Point Field. Platform "A", positioned on May 15, 1966, is located in the NE/4, Section 12, T10N-R12W and Platform "B", positioned on June 4, 1966, is located in the NE/4, Section 31, T11N-R11W. Two rigs will be on each of the 32 well platforms and drilling is expected to begin by November of this year. Mobil Oil Company will operate the third platform in the Granite Point Field for Union Oil Company and itself. The tentative location is the NW/4, Section 13, T10N-R12W. This platform is expected to have two drilling rigs on the 48 well platform. An arrival date is not firm as yet due to difficulties experienced in towing.

Union Oil Company, operator for Marathon Oil Company and itself, spotted their monopod platform on bottom on June 15, 1966. Located in the SE/4, Section 4, T9N-R13W, S.M. This 32 well platform is in the Trading

Bay Oil Field. The first well is expected to spud sometime in September. The same operator expects the arrival of another platform sometime this summer. It will be located in the McArthur River Field and will have a 48-well capacity. Two rotary rigs will be able to drill simultaneously from this "conventional" four-leg platform.

Drilling Activity:

<u>Operator</u>	<u>Well Name & Number</u>	<u>Status 6/25/66</u>
Atlantic Richfield Company	Middle River State #1	Abandoned
Atlantic Richfield Company	Susie Unit #1	Suspended
Atlantic Richfield Company	West Foreland Unit #3	Location
Austral Oil Company	Federal #1-3	Location
Great Basins Oil Company	Ugashik #1	Drilling
Hunt Oil Company	Oldmans Bay #1	Drilling
Pan American Petroleum Corp.	Cook Inlet State 17591 #1	Drilling
Pan American Petroleum Corp.	Cook Inlet State 17593 #1	Location
Pan American Petroleum Corp.	Cook Inlet State 18741 #2	Location
Pan American Petroleum Corp.	East MGS 18751 #1	Drilling
Pan American Petroleum Corp.	MGS 17595 #5	Testing
Pan American Petroleum Corp.	MGS 17595 #6	Comp. oil well
Pan American Petroleum Corp.	MGS 17595 #7	Drilling
Pan American Petroleum Corp.	MGS 17595 #8	Location
Pan American Petroleum Corp.	North Redoubt State 17579 #1	Comp. oil well
Pan American Petroleum Corp.	Tyonek State 17588 #1	Drilling
Pan American Petroleum Corp.	West Forelands Unit #2	Drilling
Shell Oil Company	Forelands Channel State #1	Abandoned lower part of hole
Shell Oil Company	Forelands Channel State #1-A	Drilling
Shell Oil Company	MGS A-13-1	Drilling
Standard Oil Co. of California	Falls Creek #2	Drilling
Standard Oil Co. of California	Ivan River #1	Drilling
Texaco, Inc.	Coal Bay State #1	Location
Texaco, Inc.	Trading Bay State #1	Location
Trinity Canadian Drilling Co.	Homesteaders #1	Drilling
Union Oil Company of California	Kustatan #1	Drilling

Production - May, 1966

<u>Field</u>	<u>Zone</u>	<u>Prod. Wells</u>	<u>Oil, Bbls.</u>	<u>Gas, MCF#</u>
Swanson River Field	Hemlock	48	944,597	407,038
	Kenai	2	54,861,360*	14,727,312*
Injection, Hemlock		7		69,894
				11,363,109*
				2,659,932**
				22,608,235*

<u>Field</u>	<u>Zone</u>	<u>Prod. Wells</u>	<u>Oil, Bbls.</u>	<u>Gas, MCF#</u>
Middle Ground Shoal	Hemlock and Kenai	7 (Incl. 1 dual as 2 wells)	201,008 ^{1/} 410,275*	98,317 189,148*
Kenai	Kenai	13 (Incl. 4 duals as 8 wells)		3,208,892 24,040,378*
Sterling	Kenai	1		13,105 323,298*

#Swanson River gas at pressure base 15.025 psi. All other is 14.65 psi.
 * Cumulative to June 1, 1966.
 **Includes 2,590,235 from Kenai Field.
 1/ Includes Pan American Petroleum Corporation's runs of 1583 bbls. in April and line and facility vessels fill of 2950 bbls.

U.S. GEOLOGICAL SURVEY AND BUREAU OF MINES RECEIVE EXPLORATION FUNDS

Congress has appropriated an additional \$9,500,000 for the U.S. Geological Survey and the U.S. Bureau of Mines for exploration and production techniques studies of heavy metals such as platinum, gold, silver, mercury, and tin.

Of the \$3,500,000 received by the Bureau of Mines, \$120,000 (of which 90,000 is reprogrammed from fiscal year 1966) will be spent in Alaska. They will drill and trench promising areas as well as investigate the production ability of old mines with new techniques.

Of the \$6,000,000 received by the Geological Survey, \$525,000 will be spent in Alaska. Geologic, geochemical, and geophysical methods will be used to search for new deposits of heavy metals.

INTERIOR DEPARTMENT OFFICIALS TO VISIT STATE MINERAL PROVINCES

Senator Ernest Gruening, Chairman of the Senate Interior Subcommittee on Minerals and Fuels, will escort J. Cordell Moore, Assistant Secretary of Interior for Minerals Resources; Dr. William T. Pecora, Director of the U.S. Geological Survey; and Dr. Walter R. Hibbard, Director of the U.S. Bureau of Mines, to Alaska where they will be joined by George Gryc, Chief of Alaska Geologic Division, U.S.G.S.; J.A. Herdlick, Area Director of the Bureau of Mines; and J.H. FitzGerald, Chairman of the Federal Field Committee for Development Planning in Alaska for a detailed inspection of mining in Alaska.

Arrangements for the trip are being made by Phil R. Holdsworth, Commissioner, and Charles F. Herbert, Deputy Commissioner of the Department of Natural Resources. Each man will accompany the party to separate areas.

The group will leave Juneau July 6 for Glacier Bay, Anchorage, Kenai Peninsula, Chenik Mountain, Lake Iliamna, Lake Clark, Cook Inlet, Nome, Kobuk, Candle, Kougarak, Lost River, Teller, Kotzebue, Fairbanks, University of Alaska, Nenana Coal Fields, Whitehorse, Juneau, Ketchikan, Prince of Wales Island, and return to Seattle July 13.

The purpose of the trip is to acquaint these officials with the size of the State, the number of known mineralized areas, the old mining districts and the remarkable mining activity on the Canadian side of the border.

MORE PATENTED MINING CLAIMS FOR SALE

DATE OF AUCTION: July 14, 1966
 TIME OF AUCTION: 1:00 P.M.
 PLACE OF AUCTION: Copper Center Roadhouse

Subject to the provisions of Section 38.05.050, Title 38, Alaska Statutes, and pursuant to the regulations promulgated thereunder, the Director of the Division of Lands or his authorized representative will sell the following lands within the Chitina and McCarthy Recording Districts:

Twenty-five units of foreclosed mining claims all classified as Utility. Unit numbers, legal description, acreage, and minimum acceptable bids are as follows:

UNIT	DESCRIPTION	ACREAGE	MINIMUM BIDS
1	USMS 547	41.22	\$ 200
2	USMS 613	41.32	200
3	USMS 654	20.66	100
4	USMS 655	38.35	200
5	USMS 656	19.49	100
6	USMS 873	289.10	1,450
7	USMS 874, 1081A, 1082A, 1082B, 1572	246.74	1,225
8	USMS 875	160.00	800
9	Tom Thumb, Tom Thumb #2, Lucky Boy, Valdez, York, Wilkes-Barre, One Girl and Comstock Lodes in USMS 893	165.29	825
10	USMS 1087	56.96	275
11	USMS 1088	18.29	100
12	USMS 1089	14.58	100
13	USMS 1090	15.38	100
14	USMS 1091	18.30	100
15	USMS 1092	16.21	100
16	USMS 1095	63.66	325
17	USMS 1401	16.53	100
18	USMS 1402	38.35	200
19	USMS 1403	63.38	325
20	USMS 1404	94.80	475
21	USMS 1405 and Rex Gulch Bench #1 and #2, White Gulch Bench #1 and #2, Mosquito Bench, Ruth and Jolly Gulch Bench #1, all in USMS 1473	279.25	1,400

<u>UNIT</u>	<u>DESCRIPTION</u>	<u>ACREAGE</u>	<u>MINIMUM BID</u>
22	USMS 1406	36.93	175
23	USMS 1454	35.60	175
24	Whistler and Big Horn Lodes in		
	USMS 1455	39.93	200
25	USMS 1457	14.75	100

Brochures, maps and other information may be obtained from the Division of Lands
344 Sixth Avenue, Anchorage, Alaska, or at its branch offices in other cities.

NEW DIVISION REPORTS

Printing has been completed on nearly all of the reports to be issued by the Division for field work accomplished during the 1965 field season. These reports are now in the process of being assembled and will be ready for distribution in early July. To be released are:

Geologic Report No. 18, Geology of Chromite Bearing Ultramafic Rocks near Eklutna, Anchorage, Quadrangle, Alaska, by A.W. Rose.

Geologic Report No. 20, Geological and Geochemical Investigation in the Eureka Creek and Rainy Creek areas, Mt. Hayes Quadrangle, Alaska, by A.W. Rose.

Geologic Report No. 21, Geology of the Slana District, Southcentral Alaska, by D.H. Richter.

Geologic Report No. 22, Geology and Geochemistry of the Nixon Fork Area, Medfra Quadrangle, Alaska, by Gordon Herreid.

Geologic Report No. 24, Preliminary Geology and Geochemistry of the Sinuk River Area, Seward Peninsula, Alaska, by Gordon Herreid.

Geochemical Report No. 7, Geochemical Investigations Along Highway and Secondary Roads in Southcentral Alaska, 1965, by M.W. Jasper.

Geochemical Report No. 11, A Geochemical Investigation of Stream Sediments in the Elliott Highway Area, Alaska, by W.M. Burand.

Yet to be edited is Geological Report No. 23 on Hannum Creek.

NOTICE OF COMPETITIVE COAL LEASE SALE NO. 3

The Division of Lands, Department of Natural Resources, will offer for competitive leasing for coal the lands described as follows:

Tract #1
T. 19N, R2E, Seward Meridian

Section 22: E $\frac{1}{2}$ SE $\frac{1}{4}$
80.00 acres, more or less

Tract #2
T. 19N, R2E, Seward Meridian

Section 23: W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$
Section 26: N $\frac{1}{2}$
880.00 acres, more or less

The auction will be held at the Division's Anchorage office at 1:00 p.m. on August 2, 1966. Bid forms, instructions and more information may be obtained from the Division of Lands, 344 Sixth Avenue, Anchorage, Alaska, 99501.

E. AND M.J. METAL MARKET PRICES

	<u>June 27</u> <u>1966</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	36¢	36¢	36¢
Lead, per lb.	15¢	15¢	16¢
Zinc, per lb.	15¢	15¢	14.5¢
Tin, per lb.	160.10	165.875	185 1/8
Nickel, per lb.	77.75¢	77.75¢	79¢
Platinum per oz.	\$100	\$100	\$97-100
Mercury, per flask	\$330-345	\$355-360	\$700-740
Antimony ore, per unit	\$4.55-5.55	\$4.90-6.00	\$7.30-8.00
Beryllium powder, 98% per lb.	\$54-66	\$54-66	\$54-66
Chrome ore, per long ton	\$31-35	\$31-35	\$31-35
Molybdenum Conc., per lb.	\$1.55	\$1.55	\$1.55
Titanium ore, per ton	\$21-24	\$21-24	\$23-26
Tungsten ore, per unit	\$43.00	\$43.00	\$27.25-28.25
Silver, New York, per oz.	129.3¢	129.3¢	129.3¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	129.29¢

