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Department of Natural Resources
DIVISION OF MINES AND MINERALS

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITY

Offshore Investigations Planned - The U.S. Bureau of Mines will send its 205-foot research vessel Virginia City to the Nome area this summer. It will be used in an investigation of the offshore mineral resources in the area where many offshore prospecting permits are held. The U.S. Geological Survey will also be conducting offshore studies.

Winter Access Road - The State Senate has passed SB107 which would appropriate \$750,000 for the construction of a resources development road. The road would be a winter trail starting at Dunbar on the Alaska Railroad from where it goes through Livengood and Bettles and on to Bornite, the site of Kennecott Copper Corporation's large copper deposit. The section to Bettles could be constructed this winter, while the section to Bornite would be constructed next winter. A branch from Bettles through Anaktuvuk Pass to the Arctic Slope could also be constructed next year.

OIL AND GAS NEWS

Arctic Slope Well Announced - The Atlantic Richfield Company has started moving equipment from the site of the abandoned Susie No. 1 well 60 miles to a new location at Prudhoe Bay, 390 miles north of Fairbanks on the Arctic Slope. The drill presently stacked at the Susie site will be taken to the Prudhoe Bay site after an airfield is constructed and the camp established. Drilling is expected to commence in early June.

Blowing Gas Well Being Sealed - The Beaver Creek No. 1 well, about 10 miles east of Kenai, which blew out of control early in the month has a team of specialists working on it to stop the flow of gas. Pumping equipment which will force fluids down the well to choke off the gas was being hooked up and the well was expected to be brought under control soon at the time of writing.

Seven applications for permits to drill were approved by the Division's Petroleum Branch during the month as follows:

Trading Bay State #A-4 - Union Oil Company of California, Operator
Surface location: 1617' FSL and 551' FEL, Sec. 4, T9N, R13W, S.M. Bottom
hole location: 1980' FNL and 520' FWL, Sec. 2, T9N, R13W, S.M. This
location is about one mile east of the indicated producing limits in the
Trading Bay Field.

Beluga River Unit #14-3 - Standard Oil Company of California, Operator
Surface location: 1750' FSL and 2165' FEL, Sec. 4, T12N, R10W, S.M. Bottom
hole location: 660' FSL and 660' FWL, Sec. 3, T12N, R10W, S.M. This
location is for a development well at the south end of the Beluga River
Gas Field.

MGS State 17595 #10 - Pan American Petroleum Corporation, Operator
 Surface location: 1987' FNL and 478' FWL, Sec. 31, T9N, R12W, S.M.
 Bottom hole location: 1980' FNL and 660' FWL, Sec. 30, T9N, R12W, S.M.
 This location is for a development well in the Middle Ground Shoal Field,
 the most northerly to date.

Granite Point State 18742 #4 - Pan American Petroleum Corporation, Operator
 Surface location: 774' FNL and 709' FEL, Sec. 12, T10N, R12W, S.M.
 Bottom hole location: 660' FSL and 660' FEL, Sec. 1, T10N, R12W, S.M.
 This location is for a development well in the Granite Point Field.

Granite Point State 17586 #3 - Pan American Petroleum Corporation, Operator
 Surface location: 2009' FSL and 1948' FWL, Sec. 31, T11N, R11W, S.M.
 Bottom hole location: 660' FSL and 660' FEL, Sec. 36, T11N, R12W, S.M.
 This location is for a development well in the Granite Point Field.

Nicolai Creek Unit #3 - Texaco, Inc., Operator
 3140' FSL and 1500' FWL, Sec. 20, T11N, R12W, S.M. This location is
 about one-and-one-half miles north of shut-in producing wells in the
 Nicolai Creek Field.

Middle River State #1 - Shell Oil Company, Operator
 Surface location: 1980' FSL and 1980' FWL, Sec. 5, T10N, R13W, S.M.
 Bottom hole location: 990' FSL and 990' FWL, Sec. 5, T10N, R13W, S.M.
 This wildcat location is six miles north of the Trading Bay Field and six
 miles west of the Nicolai Creek Field.

The corrected location of the Starichkof State #1, Pennzoil Company, Operator, is
 843' FNL and 1841' FEL, Sec. 33, T3S, R15W, S.M.

Drilling Activity

<u>Operator</u>	<u>Well Name and Number</u>	<u>Status 2-24-67</u>
Cities Service Oil Company	Painter Creek #1	Location
Hunt Oil Company	Kalgin Island State #2	Location
Marathon Oil Company	Beaver Creek #1	Drilling
Mobil Oil Corporation	Union-Mobil State 31-13	Drilling
Mobil Oil Corporation	Union-Mobil State 31-14	Drilling
Pan American Petroleum Corp.	Chuitna River State #1	Drilling
Pan American Petroleum Corp.	Cook Inlet State 17593 #1	Location
Pan American Petroleum Corp.	Granite Point 17586 #3	Drilling
Pan American Petroleum Corp.	Granite Point 17587 #3	Drilling
Pan American Petroleum Corp.	Granite Point 17587 #4	Drilling
Pan American Petroleum Corp.	Granite Point 18742 #3	Drilling
Pan American Petroleum Corp.	Granite Point 18742 #4	Drilling
Pan American Petroleum Corp.	MGS 17595 #9	Suspended
Pan American Petroleum Corp.	MGS 17595 #10	Drilling
Pennzoil Company	Starichkof State #1	Drilling
Shell Oil Company	Cottonwood State #1	Abandoned
Shell Oil Company	MGS A-33-1	Drilling

Shell Oil Company	Middle River State #1	Drilling
Standard Oil Co. of California	Beluga River Unit 14-3	Drilling
Standard Oil Co. of California	Ivan River #23-12	Abandoned
Texaco, Inc.	Nicolai Creek Unit #3	Location
Texaco, Inc.	Point Possession Unit #1	Drilling
Texaco, Inc.	Trading Bay State #2	Location
Texaco, Inc.	Trading Bay State #3	Location
Union Oil Co. of California	Kookpuk #1	Drilling
Union Oil Co. of California	Trading Bay State A-3	Drilling
Union Oil Co. of California	Trading Bay State A-4	Location

Production - January 1967 (Gas now all at pressure base of 14.65 psi)

Field	Zone	Prod. Wells	Oil, Bbls.	Gas, MCF
Swanson River Field	Hemlock	42	1,170,384 63,141,322*	945,685 19,780,294*
	Injection, Hemlock	7		2,587,361 48,556,695*
Middle Ground Shoal	Hemlock and Kenai	16	447,612	194,009
		(incl. 4 duals as 8 wells)	3,121,277*	1,402,800*
Kenai	Kenai	17		3,076,916
		(incl. 6 duals as 12 wells)		51,778,294*
Sterling	Kenai	1		18,730
				425,832*

*Cumulative to February 1, 1967

GOLD NEWS

Hearings held by the Senate Interior Subcommittee on Minerals, Materials, and Fuels on S.49, the Gruening bill, and S.615, the McGovern bill, both dealing in a subsidy for newly-mined gold, brought out the same opposition from the Treasury Department that this would create a two-price system. However, the Geological Survey and the Bureau of Mines revealed that they are developing a program that will bring a greater increase in the output of gold through (a) the discovery of new sources, (b) intensive exploration and development of the more promising known mineralized areas, and (c) development of new or improved mining and metallurgical techniques.

The Canadian bonus program is to expire at the end of this year but is likely to be extended because 41 gold mines operating in 1965, the latest year in which figures are complete, received an average assistance of \$6.35 an ounce. Eighteen mines accounted for 23.7% of the gold produced and received the maximum assistance of \$10.27 per ounce because their costs exceeded \$45.00 per ounce. Since 1965 new mines are eligible for assistance only if the mine provides direct economic support to an existing community. Under the present formula the rate of assistance is two thirds of the amount by which production costs exceed \$26.50 per ounce up to a maximum cost

of \$45 per ounce. The assistance is paid only if the gold is sold to the Royal Canadian Mint. There were seven gold mines that did not receive assistance as well as several gold placer operations.

Total U.S. Gold production increased 5% as a result of the increase in gold output at the Carlin Mine, Elko, Nevada, which more than offset the decrease in production in South Dakota, Arizona, and Alaska. However, Treasury sales of gold for use in domestic arts and industries increased about 25 percent and now equal more than three times domestic mine production. The U.S. gold stock dropped nearly \$600 million during the year to approximately \$13,200 million.

CONTRACT AWARDED TO EXPLORE FOR GOLD AND PLATINUM IN ALASKA

The Geological Survey's Office of Minerals Exploration has contracted to assist Douglas W. Sumner and James Andrulli of Anchorage, Alaska to explore for gold and platinum on the Hard Luck Claims in the Palmer Recording District, Alaska, the Department of the Interior has announced.

The property is to be explored by trenching, pitting, ground sluicing, or churn drilling for placer gold and platinum deposits. The total cost of the work is estimated at \$6,000, of which the Government participation is \$3,000.

To encourage domestic minerals exploration, the Federal Government participates with private industry in the cost of exploration for 36 mineral commodities. Funds provided by the Government are repaid by a royalty on production.

Additional information and application forms for exploration assistance may be obtained from the following Geological Survey offices:

OME - Region I, South 157 Howard Street, Spokane, Washington 99204;

OME - Region II, 345 Middlefield Road, Menlo Park, California 94025;

OME - Region III, Bldg, 25, Federal Center, Denver, Colorado 80225;

OME - Region IV, Room 11, Post Office Bldg., Knoxville, Tennessee 37902;

The Office of Minerals Exploration Geological Survey, Department of the Interior
Washington, D.C. 20242.

ITEMS OF INTEREST

The Alaska Scouting Service reports:

Kaiser Cement and Gypsum Corp. is planning to open a new cement plant in the Kenai city area early this year.

Invitations to bid on military coal contract were mailed out last week by the Defense Fuel Supply Center. Bid requests were for contracts to supply 153,000 tons to Elmendorf Air Force Base and 132,000 tons to Fort Richardson for the fiscal year beginning July 1.

The U.S. Department of the Interior has received an Alaskan budget of \$46,779,729 for 1968 fiscal year. Of this amount, the Bureau of Land Management will operate on \$4,162,000; the U.S. Geological Survey, \$4,102,000; and the U.S. Bureau of Mines \$574,000.

NOTICE OF COMPETITIVE OIL AND GAS LEASE SALE NO. 19

Subject to the provisions of the Alaska Land Act (AS 38.05) and the Alaska Oil and gas leasing regulations currently in effect, in addition to such stipulations as are necessary for the protection of the wildlife resources, the Director of the Division of Lands, or his authorized agent, will accept sealed bids for competitive oil and gas leases permitting entry on the offered lands for the exploration and development of oil and gas for a term of ten (10) years. The sale will be held March 28, 1967, at the Division of Lands, 344 6th Avenue, Anchorage, Alaska, at 10:00 a.m., A.S.T.

The leasing tract of land in this sale is located in the Seward Meridian, shown on a leasing map, and described as follows:

Tract C 19-1, T. 2 S., R. 16 W., S.M.: Sections 15, 16, 21, and 22.

Total acreage included in the sale is 2,560 acres, comprising one tract.

Bid forms and additional information may be obtained by writing the Division of Lands at the above address.

NEW PUBLICATIONS

U.S. Geological Survey Professional Paper 543-B, Geomorphic Effects of the Earthquake of March 27, 1964 in the Martin-Bering Rivers Area, Alaska.

U.S. Geological Survey Professional Paper 543-D, Geologic Effects of the March 1964 Earthquake and Associated Seismic Sea Waves on Kodiak and Nearby Islands, Alaska.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Price is 30¢ and 60¢ respectively.

U.S. Bureau of Mines Open File Report, Resumé of Information on Alaskan Bituminous Coals with Particular Emphasis on Coking. Available for reading at U.S.B.M. offices and Division of Mines and Minerals offices.

E. AND M.J. METAL MARKET PRICES

	<u>February 27</u> <u>1967</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	38.1¢	38.2¢	36¢
Lead, per lb.	14¢	14¢	16¢
Zinc, per lb.	14.5¢	15¢	15¢
Tin, per lb.	154.75¢	153.71¢	175.56¢
Nickel, per lb.	85.25¢	85.25¢	77.75¢
Platinum, per oz.	\$109-112	\$109-112	\$97-100
Mercury, per flask	\$515-525	\$493-500	\$445-475
Antimony ore, per unit	\$4.70-5.70	\$4.70-5.70	\$5.50-6.50
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.	\$1.62	\$1.62	\$1.55
Titanium ore per ton	\$21-24	\$21-24	\$21-24
Tungsten, per unit	\$43.00	\$43.00	\$40.25-40.75
Silver, New York, per oz.	129.3¢	129.3¢	129.3¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	129.29¢

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and the establishment of colonies. The American Revolution led to the birth of a new nation, and the subsequent years saw the expansion of territory and the growth of industry.

The American Civil War was a pivotal moment in the nation's history. It was a struggle over the issue of slavery, and it resulted in the preservation of the Union. The war led to the abolition of slavery and the passage of the Reconstruction Amendments to the Constitution. The Reconstruction era was a period of significant change and challenge for the newly freed slaves and the South.

The late 19th and early 20th centuries were a time of rapid industrialization and urbanization. The United States emerged as a world power, and its influence was felt around the globe. The Progressive Era was a period of reform and social change, and it led to the passage of many important laws and the establishment of new government agencies.

The 1920s and 1930s were a time of economic hardship and social change. The Great Depression was a period of severe economic downturn, and it led to the passage of the New Deal. World War II was a defining moment in the nation's history, and it resulted in the United States becoming a superpower.

The 1950s and 1960s were a time of social and political change. The Civil Rights Movement was a period of struggle for equality, and it led to the passage of the Civil Rights Act. The Vietnam War was a controversial conflict, and it led to a reevaluation of the nation's role in the world.

The 1970s and 1980s were a time of economic growth and social change. The energy crisis of the 1970s led to a reevaluation of the nation's energy policy. The Reagan Revolution was a period of conservative politics, and it led to the passage of many important laws. The 1990s and 2000s were a time of technological advancement and global change. The 9/11 attacks were a defining moment in the nation's history, and they led to a reevaluation of the nation's security policy.