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Department of Natural Resources
DIVISION OF MINES AND MINERALS

DIVISION OF
GEOLOGICAL SURVEY

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Juneau, Alaska 99801

MINES AND PETROLEUM BULLETIN

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MINING ACTIVITY

Southwestern - The U.S. Geological Survey's Office of Mineral Exploration has contracted to assist Wylie Associates of Aptos, California to explore for platinum and gold at the Chagvan prospect north of Cape Newenham in the Bethel Recording District. The property is to be explored by churn drilling for platinum and gold occurring in gravels in favorable areas indicated by geophysical anomalies. Total cost of the work is estimated at \$72,800, of which the Government participation is \$36,400. The drilling will be done near the mouth of the Salmon River below the ground currently being dredged by Goodnews Bay Mining Company.

ANOTHER OIL COMPANY ENTRY INTO MINING

Union Oil Company announces an active interest in mining operations in Alaska. Inquiries should be sent to Gary F. Player, Exploration Geologist, Union Oil Company of California, 2805 Denali Street, Anchorage, Alaska, 99501.

OIL AND GAS NEWS

Five applications for drilling permits were approved by the Division's Petroleum Branch during the month as follows:

Shell Oil Company #A-11-13, MGS, API #50-133-20007. Surface location: 1675' FSL and 375' FEL, Sec. 11, T8N, R13W, S.M. Bottom hole location: 660' FNL and 660' FWL, Sec. 13, T8N, R13W, S.M. This location is for a development well in the Middle Ground Shoal Field.

Atlantic Richfield Company #1 Prudhoe Bay State: API #50-029-20001, 2136' FNL and 1190' FEL, Sec. 10, T11N, R14E, U.M. This location is for a wildcat well about 100 miles northeast of Umiat and on the Arctic coast. Will drill to 800' +, set surface casing and suspend operations until winter.

Pan American Petroleum Corporation #2 NMGS State 18745: API #50-133-20008. Surface location: 660' FSL and 660' FWL, Sec. 4, T9N, R12W, S.M. Bottom hole location: 660' FSL and 660' FWL, Sec. 33, T10N, R12W, S.M. This wildcat location is about half way between the Middle Ground Shoal and Granite Point Fields.

Atlantic Richfield Company #1 Trading Bay State, API #50-133-20009, 500' FSL and 1700' FWL, Sec. 26, T10N, R13W, S.M. This wildcat location is about 1-1/2 miles northeast of the Trading Bay Field in Cook Inlet.

Pan American Petroleum Corporation #5 Granite Point State 18742, API #50-133-20010. Surface location: 834' FNL and 676' FEL, Sec. 12, T10N, R12W, S.M. Bottom hole location: 660' FSL and 1640' FWL, Sec. 12, T10N, R12W, S.M. This location is for a development well in the Granite Point Field and is a north offset to the discovery well.

API Numerical Identification Code Numbers -

Effective January 1, 1967, an API identification number has been assigned to each well when the drilling permit was issued. This system is the same one that is in current use in several other states and will identify the undeveloped well for electronic data processing. Beginning with this issue, the API number will be published along with the location of the approved well permit.

The API numbers for the well permits previously approved are listed below:

Shell Oil Co. #1 Cottonwood State API #50-283-20001
Union Oil Co. of California #A-4 Trading Bay State API #50-133-20001
Standard Oil Co. of California #14-3 Beluga River Unit API #50-283-20002
Pan American Pet. Corp. #10 MGS State 17595 API #50-133-20002
Pan American Pet. Corp. #4 Granite Point State 18742 API #50-133-20003
Pan American Pet. Corp. #3 Granite Point State 17586 API #50-133-20004
Texaco, Inc. #3 Nicolai Creek Unit API #50-283-20003
Shell Oil Co. #1 Middle River State API #50-133-20005
Marathon Oil Co. #1-A Beaver Creek API #50-133-20006

Three wells that were suspended for the winter have been re-entered and operations are continuing. These three are Mobil Oil Company Tower #1, which is testing for production, Placid Oil Company State 17580 #1, and Pan American Petroleum Corporation, Redoubt Shoal #1, which is drilling ahead.

Conservation Order #35

Pan American Petroleum Corporation applied for an Order permitting the commingling of production in the #8 Middle Ground Shoal 17595 well. The application was withdrawn and this order was not issued.

Conservation Order #36

The Pan American Petroleum Corporation submitted a request dated February 8, 1967, for an exception to the 500 foot government quarter section boundary offset provision of Section 2061.1 of the Alaska Oil and Gas Conservation Regulations, Title 11, AAC, for the development well Granite Point B 17587 No. 3 proposed to be completed in certain zones that are less than 500 feet from the south line and between 667 feet and 739 feet from the west line of Section 30, T11N-R11W, S.M. Conservation Order #36 was issued March 10, 1967 granting the request.

Conservation Order #37

The Pan American Petroleum Corporation submitted a request dated February 8, 1967, for an exception to the 500 foot governmental quarter section boundary offset provision of Section 2061.1 of the Alaska Oil and Gas Conservation Regulations, Title 11, AAC, for the development well Granite Point B 17587 No. 4 proposed to be completed in certain zones that may be less than 500 feet from the south line and about 2000 feet from the east line of Section 30, T11N-R11W, S.M. Conservation Order #37 was issued March 13, 1967 granting the request.

Conservation Order #38

The Union Oil Company of California submitted a request dated February 27, 1967 for an exception to the 500 foot governmental quarter section boundary offset provision of Section 2061.1 of the Alaska Oil and Gas Conservation Regulations, Title 11, AAC, for the deviated exploratory well Trading Bay #A-3 to conduct a testing program of the interval between 2100 feet and 3000 feet measured depth, this interval being located about 1900 feet from the south line but less than 500 feet from the west line, Section 3, T9N-R13W, S.M. Conservation Order #38 was issued March 21, 1967 granting the request.

Drilling Activity

<u>Operator</u>	<u>Well Name and Number</u>	<u>Status 4-27-67</u>
Atlantic Richfield Co.	Prudhoe Bay #1	Drilling
Atlantic Richfield Co.	Trading Bay #1	Drilling
Cities Service Oil Co.	Painter Creek #1	Drilling
Hunt Oil Co.	Kalgin Island State #2	Location
Marathon Oil Co.	Beaver Creek #1	Abandoning
Marathon Oil Co.	Beaver Creek #1-A	Drilling
Mobil Oil Corp.	Tower #1	Testing
Mobil Oil Corp.	Union-Mobil State 31-13	Drilling
Mobil Oil Corp.	Union-Mobil State 31-14	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 #4	Drilling
Pan American Petroleum Corp.	Granite Point 18742 #3	Drilling
Pan American Petroleum Corp.	Granite Point 18742 #4	Drilling
Pan American Petroleum Corp.	Granite Point 18742 #5	Location
Pan American Petroleum Corp.	MGS 17595 #10	Drilling
Pan American Petroleum Corp.	North MGS 18745 #2	Drilling
Pan American Petroleum Corp.	Redoubt Shoal #1	Drilling
Pennzoil Company	Starichkof State #1	Suspended
Placid Oil Co.	State 17580 #1	Drilling
Shell Oil Co.	MGS A-33-1	Testing
Shell Oil Co.	MGS A-11-13	Drilling
Standard Oil Co. of California	Beluga River Unit 14-3	Drilling
Texaco, Inc.	Nicolaik Creek Unit #3	Drilling
Texaco, Inc.	Point Possession Unit #1	Suspended until 6-18
Texaco, Inc.	Trading Bay State #2	Location
Texaco, Inc.	Trading Bay State #3	Location
Union Oil Co. of California	Trading Bay State #A-3	Testing
Union Oil Co. of California	Trading Bay State #A-4	Completing

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

<u>Field</u>	<u>Zone</u>	<u>Prod. Wells</u>	<u>Oil, Bbls.</u>	<u>Gas, MCF</u>
Swanson River Field	Hemlock	41	1,054,505	883,551
			65,247,058*	21,715,369*
	Injection	2		1,423,962
Middle Ground Shoal	Hemlock and Kenai	17	502,449 (1)	219,699
		(incl. 4 duals as 8 wells)	4,100,995*(2)	1,834,612*
Kenai	Kenai	17		1,841,657
		(incl. 6 duals as 12 wells)		56,968,530*
Sterling	Kenai			16,646
				458,731*

<u>Field</u>	<u>Zone</u>	<u>Prod. Wells</u>	<u>Oil, Bbls.</u>	<u>Gas, MCF</u>
Trading Bay	Hemlock	1	22,349 58,520*	10,839 25,761*
Granite Point		1	21,943 22,229*	10,294 10,294*

* Cumulative to April 1, 1967

Correction in last month figure (1) 476,051; (2) 3,598,546

(Correction in meter factor increased Pan American Middle Ground Shoal Oil production 1218 bbls for January, and 1098 bbls for February. Also, increased gas production by 1033 MCF for the two months.)

FUNDS APPROPRIATED FOR PROSPECTOR ASSISTANCE PROGRAM

A total of \$30,000 has been appropriated for the Prospector Assistance Program for the fiscal year beginning July 1, 1967. To date over twenty applications have been received and are being reviewed by the screening boards and the Department of Natural Resources. Experience gained over the past years indicates that approximately half of the money appropriated and allocated to the individual programs has been used. In the past form letters have been mailed to participants requesting verification of their plans during late summer so that those who have found they were not able to participate by that time of the year would release the money for others waiting to participate. This method has not been successful. This year participants are being given thirty days after the completion date indicated on their application to turn in their reports. If they do not qualify for reimbursement by the deadline thus assigned, the money allocated for their program will be used to assist another qualified prospector who may or may not have finished his prospecting by that time. It is hoped that in this manner more of the funds will be used. If the thirty day limitation is apt to work a hardship on a participant he should write this office for an extension. Those applying after the entire fund has been committed will be approved and notified that they will have an opportunity for reimbursement based on the possible failure of earlier applicants to do the work and qualify for reimbursement.

ALASKAN APPOINTED TO THE LAND LAW REVIEW COMMISSION

Roscoe E. Bell, Director of the Division of Lands has been appointed to the Public Land Law Review Commission Advisory Council thus giving Alaska, which has the greatest amount of public land, representation on the council. Phil R. Holdsworth, Commissioner of the Department of Natural Resources has been appointed by Governor Walter J. Hickel as the official State representative to the PLLRC.

HEARING ON REGULATIONS HELD

The Division of Mines and Minerals held a public hearing on proposed changes of the Oil and Gas Conservation Regulations in Anchorage on April 26. A joint committee of industry representatives and Division members had been studying the entire chapter of regulations all winter with the view in mind of up-dating them to conform to off-shore operations, which were not active when the last major amendments were made. The committee proposals and the Division's recommendations for changes in the committee proposals were considered at the hearing. These two sets of proposals and statements

concerning them received at the hearing, and additional statements received until May 10, will be studied by the Division and incorporated into the final regulations to be submitted to the Attorney General and the Secretary of State for final adoption. The new regulations will be printed for distribution as soon as possible after receiving the approval of the Secretary of State.

DIVISION OF MINES AND MINERALS PERSONNEL OPENINGS

The Division has up-coming vacancies for mining and petroleum engineers. For information, write to James A. Williams, Director, Division of Mines and Minerals, Pouch M, Juneau, Alaska 99801.

1967 ALASKA PURCHASE CENTENNIAL MINERALS CONFERENCE

Development of the North's Mineral Resource will be the theme of a minerals conference to be held on the University of Alaska Campus May 23 through May 26, 1967. The meeting is sponsored by the Alaska Section, AIME; Southwest Alaska Section, AIME; British Columbia Section, CIMM; and the University of Alaska. Dr. Walter R. Hibbard, president of the AIME and director of the U.S. Bureau of Mines will be the keynote speaker. Dr. Ernest N. Patty, president of Alluvial Golds, Inc. and president emeritus of the University of Alaska; Thomas Elliott, manager of the British Columbia and Yukon Chamber of Mines; Frederick C. Kruger, executive head of the Department of Mineral Engineering, Stanford University; John Van Luvan, president of the Vancouver Stock Exchange; and Dr. Raymond T. Smith, president of Michigan Technological University will all participate in the conference. The complete schedule of events is not available at press time. Write to the University of Alaska, CESMI, College, Alaska, 99701, for further information.

NEW PUBLICATIONS

Division of Mines and Minerals

Annual Report for the year 1966.

Geologic Report No. 28, Geology of the Upper Chistochina River Area, Mt. Hayes Quadrangle, Alaska, by Arthur W. Rose. The Denali fault which crosses the north side of the 75 square mile map area is paralleled by the State Creek fault zone along which stream sediment geochemistry has detected several strong anomalies in copper, lead, and zinc, as well as numerous moderate anomalies in these metals and molybdenum. A variety of small mineral occurrences were found during the mapping. Forty-one pages plus maps. Price \$1.00.

U.S. Geological Survey

Open File Report No. 271, Preliminary Geologic Map of Kodiak Island and Vicinity, Alaska, by George W. Moore. One map available for consulting at various U.S. Geological Survey and DM&M offices in the State.

Open File Report, Resume of Information on Alaskan Bituminous Coals With Particular Emphasis on Coking Characteristics, by Robert S. Warfield. Available for reference at the Central Library, Department of the Interior, Washington, D.C., and at the Area VIII Mineral Resource Field Office at Juneau, Anchorage, and Fairbanks, Alaska.

Professional Paper 398-B, Tertiary Plants from the Cook Inlet Region, Alaska.

Professional Paper 539, Potential Effects of Project Chariot on Local Water Supplies, northwestern, Alaska.

Professional Paper 543-E, The Alaska Earthquake, Regional Effects, Copper River Area.

Professional Paper 545-A, The Alaska Earthquake, Effects on Transportation and Utilities, Eklutna Power Project.

These Professional Papers are for sale by the U.S. Government Printing Office, Washington, D.C. 20402.

E. AND M.J. METAL MARKET PRICES

	<u>April 24</u> <u>1967</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	38¢	38¢	36¢
Lead, per lb.	14¢	14¢	16¢
Zinc, per lb.	15¢	14.5¢	15¢
Tin, per lb.	153.5¢	153.5¢	173.38¢
Nickel, per lb.	85.25¢	85.25¢	77.75¢
Platinum, per oz.	\$109-112	\$109-112	\$97-100
Mercury, per flask	\$487-500	\$505-515	\$397-410
Antimony ore, per unit	\$5.20-6.20	\$4.80-5.80	\$5.25-6.50
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	\$43.00
Silver, New York, per oz.	129.3¢	129.3¢	129.3¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	129.29¢