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DIVISION OF MINES AND MINERALS

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MINES AND PETROLEUM BULLETIN

August 1967

MINING AND EXPLORATION

The monthly Land Lines published by the Division of Lands at 344 Sixth Avenue, Anchorage, reports that 76 new offshore prospecting permit applications were filed during June, mostly for offshore areas near Kotzebue. That brought the total number of offshore permits in existence up to a staggering total of 1,021, covering a total of 2,346,746 acres.

The Atlas Mining Company of Vancouver has been investigating a large group of claims on Prince of Wales Island. Homestake is looking at prospects. Bear Creek Mining Company is active with a large reconnaissance crew in the Kobuk region. Kennecott is proceeding to plug the bottom of its Bornite shaft with cement to shut off the large inflow of water. U.S.S.R. & M. Company and Newmont are operating a joint reconnaissance program in several areas. Investigations are continuing at the Kasna Creek copper show near Lake Clark by Falconbridge and at the Pass Creek copper prospect north of the Denali Highway by Tennessee Corp. Hanna is looking at prospects and has optioned at least two in north central Alaska. Several oil companies, including Humble, Sinclair, Pan American, and Union are looking at prospects. American Metals Climax (AMAX) is doing recon work.

OIL AND GAS NEWS

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

Pan American Petroleum Corp. #1 Albert Kaloo, API #50-283-20006. 1002' FNL and 1680' FEL, Sec. 26, T11N, R12W, S.M. This exploratory location is 45 miles southwest of Anchorage on the Tyonek Reserve.

Humble Oil and Refining Company #1 Tyonek Reserve "B", API #50-283-20007. 1250' FNL and 1250' FEL, Sec. 18, T11N, R11W, S.M. This exploratory location is about 42 miles southwest of Anchorage on the Tyonek Reserve.

Mobil Oil Corp. #11-13, Granite Point State, API #50-133-20026. Surface location: 2379' FNL and 1375' FWL, Sec. 13, T10N, R12W, S.M. Bottom hole location: 700' FNL and 1000' FWL, Sec. 13, T10N, R12W, S.M. This development location is in the southern portion of the Granite Point field.

Halbouty Alaska Oil Company #42-20 West Fork, API #50-133-20025. 1860' FNL and 1040' FEL, Sec. 20, T6N, R9W, S.M. This development location is the northwest offset to the discovery well of the West Fork Field, and is subject to Conservation Order #43.

Shell Oil Company #A-44-11 M.G.S., API #50-133-20027. Surface location: 1683' FSL and 378' FEL, Sec. 11, T8N, R13W, S.M. Bottom hole location: 70' + FSL and 850' + FEL, Sec. 11, T8N, R13W, S.M. This development location is located in the central portion of the Middle Ground Shoal Field and is subject to an emergency order dated July 9, 1967.

Pan American Petroleum Corp. #8 Granite Point State 18742, API #50-283-20008. Surface location: 2014' FSL and 1950' FWL, Sec. 31, T11N, R11W, S.M. Bottom hole location: 660' FNL and 660' FWL, Sec. 31, T11N, R11W, S.M. This development location is on the northern portion of the Granite Point Field.

Atlantic Richfield Company #2 Trading Bay State, API #50-133-20028. 100' FSL and 1700' FWL, Sec. 18, T10N, R12W, S.M. This exploratory location is five miles west of the Granite Point Field and is subject to Conservation Order #45.

Drilling Activity

<u>Operator</u>	<u>Well Names and Numbers</u>	<u>Type*</u>	<u>Status (7-24-67)</u>
Atlantic Richfield Co.	Prudhoe Bay #1	E	Temp. Susp.
Atlantic Richfield Co.	Trading Bay State #1	E	OW-Susp.
Atlantic Richfield Co.	Trading Bay State #2	E	Drilling
Cities Service Oil Co.	Painter Creek #1	E	Abandoned
Humble Oil & Refining Co.	Tyonek Reserve "B" #1	E	Location
Halbouty Alaska Oil Co.	West Fork #42-20	D	Drilled & Aban.
Marathon Oil Company	Beaver Creek #1-A	E	Comp. Gas Well
Marathon Oil Company	Beaver Creek #2	E	Location
Mobil Oil Corp.	Granite Point State #11-13	D	Drilling
Mobil Oil Corp.	Granite Point State #13-13	D	Drilling
Mobil Oil Corp.	Granite Point State #33-13	D	Comp. Oil Well
Mobil Oil Corp.	Granite Point State #31-14	D	Drilling
Pan American Petroleum Corp.	Albert Kaloa #1	E	Drilling
Pan American Petroleum Corp.	Forelands State Unit #1	E	Drilling
Pan American Petroleum Corp.	Granite Point State 17586 #3	D	Comp. Oil Well
Pan American Petroleum Corp.	Granite Point State 17587 #4	D	Temp. Susp.
Pan American Petroleum Corp.	Granite Point State 18742 #5	D	Temp. Susp.
Pan American Petroleum Corp.	Granite Point State 18742 #6	D	Drilling
Pan American Petroleum Corp.	Granite Point State 18742 #7	D	Drilling
Pan American Petroleum Corp.	Granite Point State 18742 #8	D	Drilling
Pan American Petroleum Corp.	Granite Point State 18742 #9	D	Temp. Susp.
Pan American Petroleum Corp.	MGS State 17595 #10	D	Testing
Pan American Petroleum Corp.	MGS State 17595 #11	D	Drilling
Pan American Petroleum Corp.	North MGS State 18745 #2	E	Drilling
Pan American Petroleum Corp.	Redoubt Shoal State #1	E	Suspended
Pan American Petroleum Corp.	South MGS Unit #2	D	Drilling
Pan American Petroleum Corp.	South MGS Unit #3	D	Drilling
Pan American Petroleum Corp.	Turnagain Arm Unit #1	E	Drilled & Aban.
Placid Oil Company	State 17580 #1	E	Testing
Shell Oil Company	MGS #A-33-1	D	Testing
Shell Oil Company	MGS #A-42-11	D	Comp. Oil Well
Shell Oil Company	MGS #A-44-11	D	Drilling
Standard Oil Co. of Calif.	Beluga River Unit #14-3	D	Drilling
Superior Oil Company	Three Mile Creek State #1	E	Drilling

<u>Operator</u>	<u>Well Names and Numbers</u>	<u>Type</u>	<u>Status (7-24-67)</u>
Texaco, Inc.	Point Possession Unit #1	E	Abandoned
Union Oil Co. of Calif.	Trading Bay State #A-1	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay State #A-3	D	Suspended
Union Oil Co. of Calif.	Trading Bay State #A-6	D	Comp. Oil Well

* "E" indicates an exploratory well, and "D" a development well.

Production - June 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	34	974,398	894,029
			68,248,804*	24,186,724*
Middle Ground Shoal	Hemlock and Kenal	17 (incl. 4 duals as 8 wells)	462,534	213,343
			5,524,058*	2,481,211*
Kenal	Kenal	14 (incl. 4 duals as 8 wells)		3,353,417
				66,788,442*
Sterling	Kenal	1		13,161
				501,273*
Trading Bay	Hemlock	5 (1 dual)	26,436	19,717
			130,314*	82,012*
Granite Point		4	373,471	305,105
			808,888*	546,821*

* Cumulative to July 1, 1967

PROGRESS OF DIVISION MOVE

Remodelling started in the University maintenance warehouse, Monday, July 24, in the space allotted for our lab and office facilities. Some walls had to be torn out, others had to be "holed" through. Starting July 31, plumbing and electrical work will be commenced for the lab. The lab has first priority. When it is ready, or nearly so, lab personnel and equipment will be moved up from Anchorage. Some of the assaying cannot help being interrupted for a time, but we will keep the interruptions to a minimum. We hope to see the construction completed by mid or late September.

The Director is planning to move from Juneau to Fairbanks upon completion of construction. Some clerical positions will be open. Hiring will be through the State Division of Personnel; however, interested parties should contact our Juneau office for details.

GLACIER BAY NATIONAL MONUMENT REPORT

As a follow-up of our article last month on this report, we are glad to be able to note that it has now been released. The press release announcing the availability of the report is quoted in part as follows:

"The Glacier Bay Area," said Dr. William T. Pecora, Director of the U.S. Geological Survey, "has many metal deposits that have been mined or explored in the past, and our field team found several new occurrences that may have economic potential."

"However," Pecora noted, "the newly-discovered areas are partly or largely covered by ice and snow, and firm appraisals of their value will require physical exploration by private industry. Our reconnaissance studies to date have simply indicated 'target' areas that appear to be attractive prospects."

"The chief metallic commodities of interest in the Monument include copper, molybdenum, nickel, gold, silver, titanium, and iron."

The report, entitled "Mineral resources of Glacier Bay National Monument, Alaska" by E.M. MacKevett, Jr., David A. Brew, C.C. Hawley, Lyman C. Huff, and James G. Smith, is an open-file report only and is available for study in the various U.S. Geological Survey, U.S. Bureau of Mines, and State Division of Mines and Minerals offices in Juneau, Anchorage, Fairbanks, and College.

NEW PUBLICATIONS

Released for open file inspection at various U.S. Geological Survey, U.S. Bureau of Mines and Division of Mines and Minerals offices during the past month was the U.S.G.S. report "Locations and descriptions of lode mines and prospects in the Fairbanks district, Alaska" by Robert M. Chapman and Robert L. Foster.

See also the preceding Glacier Bay item.

A booklet on Alaska mining laws has finally been published to replace the time-honored one by Henry Roden. It is the Alaska Mining Law Manual by C.F. Herbert. It is printed by Jessen's Weekly in Fairbanks and sells for \$3.75.

Division of Mines and Minerals Geologic Report No. 25, Geological and Geochemical Investigations in the Metal Creek Area, Chugach Mountains, Alaska, by Donald H. Richter. Price \$1.00.

Division of Mines and Minerals Geologic Report No. 27, Geology and Mineral Deposits of the Oolomi Area, Prince of Wales Island, Alaska, by Gordon Herreid. Price \$1.00.

Division of Mines and Minerals Geologic Report No. 30, Geology of the Upper Sliamantasta Pass Area, Southcentral Alaska, by Donald H. Richter. Price \$1.00.

Division of Mines and Minerals Geologic Report No. 31, Geology and Stream Sediment Geochemistry of Anton Larsen Bay and Vicinity, Kodiak Island, Alaska, by Arthur W. Rose and Donald H. Richter. Price \$1.00.

Division of Mines and Minerals Geochemical Report No. 14, Geochemical Investigations Willow Creek, southerly to Kenai Lake Region, Southcentral Alaska, by Martin W. Jasper. Price \$1.00.

Division of Mines and Minerals Special Report, Mineral Occurrences in the Yukon-Tanana Region, Alaska, by Robert H. Saunders. Price \$1.00.

Division of Mines and Minerals reports are available through the mail from the Juneau office, Pouch M, Juneau, Alaska, 99801, or over the counter at Division offices in Anchorage and Fairbanks.

SILVER

The U.S. Treasury on July 14 removed the ceiling price on silver and will sell it under a competitive sealed-bid procedure in different amounts from time to time. Details will be announced. This caused silver to skyrocket to as high as \$1.89 per oz.

A bill has been introduced (H.R. 11386 by Rep. Conte of Massachusetts) to eliminate the use of silver from coins. In his remarks, Conte said that the silver half dollar "serves no utilitarian function whatsoever." Senator Pastore of Rhode Island followed this up with S. 2163, which would remove the authority of the Secretary of the Treasury to prohibit the melting of coins. If this passes, a profit could be made legally by melting the older coins and selling the silver for more than the coins are worth. Senator Pastore claims that this would stabilize the silver price.

E. AND M. J. METAL MARKET PRICES

	<u>July 24 1967</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	38.3	38.1c	36.1c
Lead, per lb.	14c	14c	15c
Zinc, per lb.	14c	14c	15c
Tin, per lb.	154.5c	154.6c	158.95c
Nickel, per lb.	85.25c	85.25c	77.75c
Platinum, per oz.	\$109-112	\$109-112	\$100
Mercury, per flask	\$472-482	\$475-491	\$410-420
Antimony ore, per unit	\$5.20-6.20	\$5.20-6.20	\$4.55-5.55
Beryllium powder, 98c 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.	184.10c	130.10c	129.3c
Silver, U.S. Treasury, per oz.	Competitive Bidding	129.29c	129.29c

