

PROPERTY OF  
LIBRARY  
STATE OF ALASKA  
DIVISION OF  
GEOLOGICAL SURVEY

STATE OF ALASKA  
Department of Natural Resources  
DIVISION OF MINES AND MINERALS

Box 5-300  
College, Alaska 99701

MINES AND PETROLEUM BULLETIN

June 1968

Vol. XVI  
No. 6

OIL AND GAS NEWS

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

Permit No. 68-34. Union Oil Company of California #K-7 Trading Bay Unit, A.P.I. No. 50-133-20106. Surface location: 619' FSL and 120' FEL, Sec. 17, T9N, R13W, S.M. Bottom hole location: 2,150' FNL and 1,390' FEL, Sec. 22, T9N, R13W, S.M. This is a development location in the McArthur River Field.

Permit No. 68-35. Union Oil Company of California #D-8 Trading Bay Unit, A.P.I. No. 50-133-20107. Surface location: 677' FSL and 1,221' FWL, Sec. 6, T8N, R13W, S.M. Bottom hole location: 282' FSL and 2,385' FWL, Sec. 8, T8N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-36. Pan American Petroleum Corporation #25 Granite Point State, 18742, A.P.I. No. 50-133-20108. Surface location: 769' FNL and 710' FEL, Sec. 12, T10N, R12W, S.M. Bottom hole location: 500' FNL and 2,500' FWL, Sec. 12, T10N, R12W, S.M. This development location is in the Granite Point Field.

Permit No. 68-37. Pan American Petroleum Corporation #27 Granite Point State, 18742, A.P.I. No. 50-133-20109. Surface location: 730' FNL and 640' FEL, Sec. 12, T10N, R12W, S.M. Bottom hole location: 1,980' FSL and 1,500' FEL, Sec. 1, T10N, R12W, S.M. This development location is in the Granite Point Field.

Permit No. 68-38. Union Oil Company of California #K-9 Trading Bay Unit, A.P.I. No. 50-133-20110. Surface location: 610' FSL and 126' FEL, Sec. 17, T9N, R13W, S.M. Bottom hole location: 265' FSL and 1,775' FEL, Sec. 21, T9N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-39. Union Oil Company of California #A-16 Trading Bay State, A.P.I. No. 50-133-20111. Surface location: 1,610' FSL and 566' FEL, Sec. 4, T9N, R13W, S.M. Bottom hole location: 1,706' FSL and 1,340' FWL, Sec. 4, T9N, R13W, S.M. This development location is in the Trading Bay Field.

Permit No. 68-40. Shell Oil Company #C-22-26 Middle Ground Shoal, A.P.I. No. 50-133-20112. Surface location: 542' FSL and 1,602' FEL, Sec. 23, T8N, R13W, S.M. Bottom hole location: 1,830' FNL and 2,310' FWL, Sec. 26, T8N, R13W, S.M. This development location is in the Middle Ground Shoal Field.

Permit No. 68-41. Atlantic Richfield Company #5-A West Foreland Unit, A.P.I. No. 50-133-20113. Surface location: 990' FNL and 1,981' FEL, Sec. 27, T9N, R14W, S.M. Bottom hole location: 1,475' FSL and 950' FEL, Sec. 27, T9N, R14W, S.M. This exploratory location is three miles west of the McArthur River Field.

Permit No. 68-42. Mobil Oil Corporation #42-23 Granite Point State, A.P.I. No. 50-133-20114. Surface location: 2,380' FNL and 1,371' FWL, Sec. 13, T10N, R12W, S.M. Bottom hole location: 1,786' FNL and 618' FEL, Sec. 23, T10N, R12W, S.M. This development location is in the Granite Point Field.

Permit No. 68-43. Union Oil Company of California #G-11 Trading Bay Unit, A.P.I. No. 50-133-20115. Surface location: 1,825' FSL and 1,486' FEL, Sec. 29, T9N, R13W, S.M. Bottom hole location: 2,300' FNL and 2,000' FEL, Sec. 32, T9N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-44. Union Oil Company of California #G-12 Trading Bay Unit, A.P.I. No. 50-133-20116. Surface location: 1,874' FSL and 1,386' FEL, Sec. 29, T9N, R13W, S.M. Bottom hole location: 500' FSL and 1,400' FEL, Sec. 33, T9N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-45. Union Oil Company of California #U-7 Trading Bay Unit, A.P.I. No. 50-133-20117. Surface location: 760' FSL and 1,136' FWL, Sec. 6, T8N, R13W, S.M. Bottom hole location: 1,037' FSL and 1,075' FWL, Sec. 33, T9N, R13W, S.M. This development location is in the McArthur River Field.

Permit No. 68-46. Pan American Petroleum Corporation #5 Granite Point State 17586, A.P.I. No. 50-133-20118. Surface location: 2,008' FSL and 1,943' FWL, Sec. 31, T11N, R11W, S.M. Bottom hole location: 2,140' FSL and 500' FEL, Sec. 36, T11N, R12W, S.M. This development location is in the Granite Point Field.

Permit No. 68-47. Pan American Petroleum Corporation #22 Granite Point State 18742, A.P.I. No. 50-133-20119. Surface location: 1,945' FSL and 1,983' FWL, Sec. 31, T11N, R11W, S.M. Bottom hole location: 1,980' FNL and 1,500' FWL, Sec. 6, T10N, R11W, S.M. This development location is in the Granite Point Field.

DRILLING ACTIVITY (as of May 24, 1968)

<u>Operator</u>	<u>Well Names &amp; Numbers</u>	<u>Type</u>	<u>Status</u>
Atlantic Richfield Co.	Prudhoe Bay #1	E	Drilling
Atlantic Richfield Co.	Sag River State #1	E	Drilling
Atlantic Richfield Co.	West Foreland Unit #5	E	Abandoned
Atlantic Richfield Co.	West Foreland Unit #5-A	E	Drilling
Mobil Oil Corp.	Granite Point State #22-13	D	Drilling
Mobil Oil Corp.	Granite Point State #33-14	D	Drilling
Mobil Oil Corp.	Granite Point State #44-11	D	Location
Pan American Petroleum Corp.	Granite Point State 17586 #5	D	Location
Pan American Petroleum Corp.	Granite Point State 17587 #5	D	Drilling
Pan American Petroleum Corp.	Granite Point State 18742 #11	D	Comp. Oil Well
Pan American Petroleum Corp.	Granite Point State 18742 #14	D	Temp. Susp.
Pan American Petroleum Corp.	Granite Point State 18742 #18	D	Completing
Pan American Petroleum Corp.	Granite Point State 18742 #20	D	Comp. Oil Well
Pan American Petroleum Corp.	Granite Point State 18742 #21	D	Location
Pan American Petroleum Corp.	Granite Point State 18742 #23	D	Completing
Pan American Petroleum Corp.	Granite Point State 18742 #25	D	Location
Pan American Petroleum Corp.	Granite Point State 18742 #27	D	Drilling
Pan American Petroleum Corp.	HGS State 17595 #12	D	Location
Pan American Petroleum Corp.	HGS State 17595 #14	D	Comp. Oil Well
Pan American Petroleum Corp.	South HGS Unit #9	D	Completing

Pan American Petroleum Corp.	South MGS Unit #10	D	Temp. Susp.
Pan American Petroleum Corp.	South MGS Unit #11	D	Drilling
Shell Oil Company	Bachatna Creek #1	E	Location
Shell Oil Company	MGS C-23-23	D	Comp. Oil Well
Shell Oil Company	MGS C-22-26	D	Drilling
Shell Oil Company	MGS C-34-26	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay State A-14	D	Drilling
Union Oil Co. of Calif.	Trading Bay State A-15	D	Location
Union Oil Co. of Calif.	Trading Bay State A-16	D	Location
Union Oil Co. of Calif.	Trading Bay Unit D-4	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay Unit D-5	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay Unit D-7	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit D-8	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit G-5	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay Unit G-9	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit G-10	D	Completing
Union Oil Co. of Calif.	Trading Bay Unit G-11	D	Location
Union Oil Co. of Calif.	Trading Bay Unit G-12	D	Location
Union Oil Co. of Calif.	Trading Bay Unit K-3	D	Location
Union Oil Co. of Calif.	Trading Bay Unit K-5	D	Comp. Oil Well
Union Oil Co. of Calif.	Trading Bay Unit K-7	D	Location
Union Oil Co. of Calif.	Trading Bay Unit K-8	D	Drilling
Union Oil Co. of Calif.	Trading Bay Unit K-9	D	Drilling

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

PRODUCTION - April 1968 (Gas pressure base 14.65 psi)

Field	Oil-Bbls	Water-Bbls	Gas-MCF	*No. of Wells	Cum. Oil	Cum. Gas
Granite Point	1,226,476	7,187	950,639	25 (2)	12,556,648	8,695,003
McArthur River	1,515,213	15,545	397,464	14	4,984,634	1,378,640
Middle Ground Shoal	1,188,871	40,100	587,010	41 (2)	14,748,445	6,668,816
Swanson River	1,090,921	162,427	1,848,152	30 (20)	79,498,021	39,627,383
Trading Bay	232,924	1,224	190,925	10 (4)	1,457,844	1,395,924
TOTAL	5,254,405	226,483	3,974,190	120 (28)	113,245,592	57,765,766
Beluga River			217,460	3 (1)		430,554
Kenai			3,381,556	17 (1)		102,480,076
Kenai Deep			310,717	1		576,335
Moquawkie			6,166	1		57,761
Sterling			18,021	1 (1)		661,837
South Barrow			48,202	2 (1)		3,591,250
Trading Bay			10,777	1		88,862
Inactive Gas Fields						12,028,261
Total Dry Gas			3,992,899	26 (4)		119,914,936
STATE GRAND TOTAL	5,254,405	226,483	7,967,089	146 (17)	113,245,592	177,680,702

\* Dual completions are included as two wells; triple, as three. ( ) Number of producers shut-in, standing or inactive this month.

## GOLD NEWS

Although the action happened in mid-March, many people still do not realize that the U. S. Mint is no longer buying or selling gold. This poses a marketing problem for the small miner with gold to sell which is not acceptable to the jewelry trade. Even though he may sell on the open market and may even export without restriction, contacts where he can get the most for his gold may not be easy to find. The larger companies, of course, can afford to hire marketing experts or otherwise take the necessary steps to find and sell where the market is most profitable.

Of possible help may be the following list of companies recently licensed by the U. S. Treasury to buy and sell gold under Treasury regulations. The licenses are for only three months and will be reviewed before being issued for longer terms. Thirteen licenses to date have gone to the following two trading firms and eleven banks: Ametalco, Bache & Co., Public National Bank of New York, American Express International Banking Corp., Chase Manhattan Bank, First National City Bank, National Bank of North America, and J. Henry Schroder Banking Corp. (all of New York); Rhode Island Hospital Trust Co. and The Industrial National Bank of Rhode Island (both of Providence); The Bank of California and The Bank of America (both of San Francisco); and First National Bank of Chicago.

## NEW COAL CONTRACTS

The U. S. Department of Defense awarded a contract to Vitro Minerals Corp. to supply 225,334 tons of coal for \$1,426,364 and a contract to Usibelli Coal Mines, Inc. to supply 194,940 tons for \$1,169,640. The coal goes to the military bases in the vicinity of Fairbanks and is to be supplied during fiscal year 1968-69.

## NEW POWER PLANT PROPOSED

Vitro Minerals Corp. is tentatively considering plans for a 100 megawatt mine-mouth power plant to be located in the Healy River area. The plant would be built chiefly to supply power for an anti-missile base which has been announced for the Fairbanks area. One mine-mouth power plant is already located in the area. It feeds power to the Fairbanks domestic market; is owned by Golden Valley Electric Association, and receives its coal from Usibelli Mines, Inc. The local Vitro superintendent states that his firm has 30 to 40 years of coal reserves on its State and Federal bases in the area.

## MULTIPLE-USE STUDY BY BLM AT BORNITE

The Federal Bureau of Land Management has announced a two year planning study of the Bornite area. Purpose of the project is to determine "the best use in keeping with expected industrial development of the area." In essence, this refers but is not restricted to the location or acquisition of homesites, townsites, etc., for the period of the study. The location of mining claims will not be affected by this study. The action was requested by Kennecott Mining Co. to prevent uncontrolled "shack towns" from being built in the vicinity of the hoped-for future mining operations.

All persons concerned with the proposed multiple-use classification of these lands will be given the opportunity to state their views. Maps of the area are on file at the Fairbanks District land office and at the State office of the Bureau of Land Management in Anchorage. Formal hearings will be held in these two cities.

## LEAD-ZINC-SILVER DISCOVERY REPORTED

The U. S. Geological survey has announced the discovery of potentially economic deposits of silver, lead, and zinc about 23 miles south of Farewell. This is in a part of the Alaska Range that has had no previous significant mineral activity.

The find is in the Bowser Creek area, along the Post River. The deposits are described as rich but small, and erratically distributed in limestone near igneous rocks. They are reported on in U. S. Geological Survey Circular 559, "Lead, Zinc, and Silver Deposits at Bowser Creek McGrath A-2 Quadrangle Alaska" by Reed and Detterman. The circular is free and may be obtained from USGS and DM&M offices.

## NEW USGS PUBLICATIONS

The U. S. Geological Survey has released the following open file reports. Copies are available for consultation in the Brooks Bldg., College Alaska 99701; 441 Federal Bldg., Juneau, Alaska 99801; 108 Skyline Bldg., 508 2nd Avenue., Anchorage, Alaska 99501; and in offices of the Alaska Division of Mines and Minerals, 509 Goldstein Bldg., Juneau, Alaska 99801; 3001 Porcupine Dr., Anchorage, Alaska 99504; and University Ave., College, Alaska 99701:

1. Bering Sea shelf seismic reflection records, 1967 (R/V Thompson), by David W. Scholl and David M. Hopkins. 33 sheets.
2. Geology of the Golden Zone mine area, Alaska, by C. C. Hawley, Allen L. Clark, and J. Alan Benfer. 18 p., 3 figs., 2 tables.
3. Alaskan gravity base station network, by David F. Barnes, 21 p. text, 3 p. index, 31 p. tables, 1 fig.

Material from which copy can be made at private expense is available in the Alaskan Geology Branch, USGS, 345 Middlefield Rd., Menlo Park, California 94025.

## JAPAN SEEKS COAL SUPPLIES

Japan's coal requirements, particularly of coking grades, are increasing rapidly and show serious problems of future supply. Japanese steel makers are again becoming interested in Alaska's coal potential and will have a crew of geologists and engineers at the Bering River coal field this summer season to evaluate coking qualities and potential tonnages.

## PIONEER ACCESS ROADS

Chapter 129, passed by the 1968 Legislature, amends AS 19.30.020-050 and allows the State to participate 50-50 in the construction of access roads for mineral development. The Act states "It is the intent of the State to participate with mineral resource developers on a 50-50 matching basis under sec. 10-50 of this chapter." Construction, relocation, or repair of roads or airstrips come under the Act. Upon approval of an application, followed by a contract signed by the State and the applicant, the applicant does the construction and is reimbursed for half the allowable expenses by the State.

No money is presently available for the program. However, we are drafting regulations as required and will have an application form ready shortly. It is planned that the Division will administer the Act, though the Commissioner of Natural Resources will make the final decisions. Those who have proposals or requests to make for 1969 might contact us for application forms and fill them out. We can then report to the next Legislature on the probable amount of money that will be needed to fund the program for 1969. Those who would like copies of the Act and the proposed regulations should also contact us at our College address.

#### E. AND M.J. METAL MARKET PRICES

	<u>May 20</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	42¢	42¢	38¢
Lead, per lb	13¢	14¢	14¢
Zinc, per lb	14¢	14¢	14¢
Tin, per lb	143.1¢	145.75¢	153.9¢
Nickel, per lb	94.00¢	94.00¢	85.25¢
Platinum, per oz	\$109-114*	\$109-114	\$109-112
Mercury, per flask	\$538-550	\$558-565	\$450-455
Antimony ore, per unit	\$5.00-5.95	\$5.00-5.95	\$5.20-6.20
Beryllium powder, 98% (1b)	\$54-66	\$54-66	\$54-66
Chrome ore, long ton	\$31-35	\$31-35	\$31-35
Molybdenum conc, per lb	\$1.62	\$1.62	\$1.62
Titanium ore, per ton	\$21-24	\$21-24	\$21-24
Tungsten, per unit	\$43.00	\$43.00	\$43.00
Silver, New York, per oz	240.80¢	218.00¢	130.10¢

\* In last month's bulletin the price of platinum was erroneously quoted at the merchant's price of \$226. The miner's price is less due to costs of refining. We apologize for our mistake.