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BILLS TO CHANGE THE MINING LAW

In addition to issues in connection with pollution, environment, reclamation, Native land claims bills, etc., the mining industry is also very concerned about the inevitable approaching changes to the basic mining law which governs the acquisition of mining claims on public lands. The three most important Congressional bills in this regard at the moment are (1) S. 921 by Senator Jackson, (2) S. 2542 by Senators Bible, Allott, and Moss (H.R. 10640 by Representatives Aspinall and McClure is identical), and (3) an Administration bill not yet introduced at the time of writing.

The least favorable of these bills is S. 921, which would completely repeal the present claim-staking procedures and substitute a leasing and competitive bidding system for acquiring hard rock minerals. Incidentally, this bill would deny the State of Alaska its present 90% share of Federal receipts from mineral leasing, including oil receipts. Hearings on S. 921 are scheduled for Anchorage and Fairbanks Nov. 19 and 22.

The most favorable of the three bills is S. 2542. This bill generally follows the recommendations of the Public Land Law Review Commission. The PLLRC recommendations were written after five years' study and the expenditure of \$7 million. These recommendations were intended by Congress to be guidelines for future public land policies. Under S. 2542, presently existing valid claims would be protected if a declaration of interest is filed or patent applied for within certain time limits. New claims staked under S. 2542 would be up to 80 acres with no distinction between lode and placer and no extralateral rights. No discovery would be required. Assessment work requirements would be \$5 per acre per year for the first 5 years, \$10 for the second 5 years, \$15 for the third, and \$20 after 15 years. Cash in lieu of assessment could be paid. A bond would be required as a guarantee of no undue damage to the environment.

S. 2542 provides for patents if (a) a discovery of commercially valuable minerals is made or (b) a development plan for the claim is approved by the Secretary of the Interior. The patent would allow surface use of the land only for necessary mining purposes, and misuse would cause the land to revert to the U.S. A royalty of 2% of the mine value of

BILLS TO CHANGE THE MINING LAW (continued)

minerals sold but not greater than 5% of the net mining income would be required. Mine value is defined as the price received less costs of processing, transporting, etc. Mining claims would be recorded with the Bureau of Land Management and BLM would be required to keep mining claim location records and make them available to the public.

The Administration bill was drafted by the Department of the Interior, approved by the White House, and will be introduced soon in both Houses. It provides for a licensing and permit system. Presently existing claims would be protected if recorded with Interior within one year and patent applied for within three years after recording. Under this bill, the Secretary of the Interior could withdraw any public lands that he or other department heads wish closed to mineral entry for conservation or other purposes considered to be higher than mining.

Under the Administration bill, no person could prospect on public lands without first obtaining a prospecting license. This license would be subject to Interior regulations including prohibition of any significant disturbance of the land surface, protection of environment, no production, etc. The license would be for a period of two years, but revocable at any time for violation of any of its terms.

A permit would be required for the exclusive right to explore, develop and/or produce in a specified area not larger than 640 acres, although permits for a maximum of 32 square miles might be obtained in any one state. Permits would be for a period of five years and renewable once for an additional five years. A permit rental would be charged of \$5 per acre per year for the first five years and \$10 for the second five years. Exploration expenses could be credited toward half the rental and royalties toward all of it.

A patent could be obtained under the Administration bill upon production or upon a showing of a commercial mineral deposit satisfactory to the Secretary. Patent rental would be \$5 per acre per year or the royalty on production, whichever is the greater. The patent would be cancelled when mining is finished or the ground is abandoned. The royalty would be not less than 3% of the gross value of the minerals mined as determined by the Secretary. A land lease at market value would be required for surface use in connection with the mining.

The Administration bill provides that the licenses and permits could be cancelled at any time for any breach of terms, conditions, or regulations. Further, the Secretary could stop exploration or production at any time in the interest of conservation, but he could also reduce the royalty or rental to promote the development of a mine that otherwise could not operate. He could require competitive bidding for permits where he believes commercial deposits exist or where two parties apply for permits for the same area on the same day.

LAND LAW REVISION HEARINGS

Final scheduling of witnesses for land law revision hearings will take place during November. These will be the most important public hearings to take place in Alaska since the Interior Department's session on impact of the North Slope oil pipeline. The Senate Interior and Insular Affairs Committee will hold 'court' Nov. 19 in Anchorage and Nov. 22 in Fairbanks. This time the hearings are on proposed legislation for revising the Public Land Laws. A major suggested change is Sen. Jackson's proposal to repeal the Mining Law of 1872. With 95 percent of the land in Alaska still under federal ownership, any changes in the Public Land Laws would likely have direct effect on the state. Final arrangements for the list of witnesses and times are now being made through Sens. Gravel and Stevens offices. (Alaska From The Inside 10-19-71)

MINING ASSOCIATION CONVENTION

The 77th Annual Convention of the Northwest Mining Association will be held on December 3rd and 4th, 1971 at the Devenport Hotel in Spokane, Washington. Gold, silver, uranium, lead, zinc and copper will be featured as well as all aspects of public relations. Industry interest in conservation, natural beauty and air and water purity will receive increased attention. Technological advances in mining, metallurgy and geology will provide the scientific foundation for the convention as in the past. (Wyoming Mining Association 10-22-71)

AEROMAGNETIC SURVEY PROGRESS

The Division is sorry to announce that the aeromag maps have not been received to date. However, as announced in earlier Bulletins, we are compiling a mailing list for sale notices. When we know positively when the first sale can be held and what maps will be available at that sale, we will mail out sale notices giving the exact particulars.

GLACIER BAY WITHDRAWAL PROPOSALS

The latest large withdrawal proposals are by the National Park Service with regard to the Glacier Bay National Monument, which is presently open to mining. The Monument is generally considered to have an excellent mining potential. The proposals are to (1) establish a 2,210,600 acre wilderness area within the Monument, or (2) designate the Monument as a national park. Hearings will be held November 17 to 20 in Anchorage and Juneau. Further information, maps, plans, etc., can be obtained from the National Park Service, Room 376 Federal Building, Anchorage, Alaska 99510. (This article was also published in our October issue of the Mines Bulletin.)

COAL FIRES

Two of the worst environmental problems connected with coal--fires in coal mine refuse piles and land subsidence over undermined areas--are the subjects of two Bureau of Mines reports just published by the Department of the Interior. Both are on sale at the Government Printing Office.

The reports describe the varieties of pollution, property damage, and threats to public health and safety that are caused by burning heaps of coal mine waste, and by land surface subsidence that can follow the collapse of earth and rock surrounding underground mine voids. Environmental safeguards and repair techniques that can be used for protection against the harmful effects of subsidence and burning coal refuse are also reviewed.

Coal fires are burning in several of Alaska's coal fields. In Alaska the coal fire often ignites the tundra and sets forest fires. Because of the general inaccessibility of forests in Alaska, the BIM has an expensive job of putting these fires out. One such coal fire is burning in the Nenana field south of Fairbanks. During the summer season of 1971 the Bureau of Mines made a trench - 450 feet long and 30 feet deep in an effort to put out a coal fire that has been responsible for several forest fires. (Dept. of Interior 9-7-71)

SURFACE MINING HEARINGS

The Senate Interior Committee has scheduled hearings on proposals to regulate surface mining for Nov. 16 and 17. Pending bills are S. 77, S. 630, S. 993, S. 1160, S. 1240, S. 1493 and S. 2455. On-site inspections and field hearings will be conducted after the first of the year and most likely during the spring. (American Mining Congress 10-8-71)

SURFACE MINED COAL

According to Carl E. Bagge, President of the National Coal Association, almost one-third of the Nation's electric power is produced by coal-fired electric generating plants. Three-fourths of the surface-mined coal goes to electric utilities. Without coal from surface-mines, many communities would suffer brown-outs or black-outs due to the curtailment of electric power generation.

Bagge stated that it would be ridiculous for Congress to give serious consideration to prohibiting surface-mining. Results of studies made by the NCA staff include the following:

1. Surface-mined coal production totaled 264 million tons in 1970, or 44 per cent of the total 602.9 million tons of bituminous coal and lignite production. (Wyoming Mining Association 10-22-71)

MINE SAFETY

A chance to make 1971 the safest ever for American coal miners could be lost unless an all out effort is made to curb injuries and fatalities, the Director of the Interior Department's Bureau of Mines has warned.

Bureau Director Elbert F. Osborn called for greater cooperation from all concerned during the opening at Denver, Colorado, of a two-day public meeting on the Department's enforcement of the Federal Coal Mine Health and Safety Act of 1969. The meeting was second in a series ordered by Secretary of the Interior Rogers C. B. Morton to obtain information and recommendations that can strengthen administration of the law.

Osborn noted that the first seven months of this year saw the lowest number of coal mine fatalities - 114 - and the lowest fatality rate - 0.73 per million man-hours of exposure - for any comparable period in recorded coal mine history.

"Clearly," Osborn added, "the Bureau of Mines, state mining departments, mine management, and mine workers - all of us - must work together to do better."

After describing in some detail the enforcement, educational, and research efforts of the Bureau, Osborn announced a new "complete winter alert" procedure he has ordered as a precaution against the disasters which historically occur from October through March. During these extra dangerous months, he said, "inspectors' vacations will be curtailed and, to the extent possible, we will have all field people on permanent alert status."

In a further move toward greater safety, Osborn said, the Bureau is cooperating with State mining departments and with industry management and labor in the "most comprehensive attack in coal mine history" on deaths and injuries caused by falls of roof, the leading cause of accidental deaths in coal mines. Osborn also noted that the Bureau recently increased the number of its coal mine safety districts from five to nine in order to better equalize the mine inspection workload.

Osborn noted also that the Bureau has substantially increased the number of coal mine inspections made this year. During the calendar year 1970, the first year the law was in effect, the Bureau made 10,861 inspections, he said. Between January 1 and August 21 of this year, 15,169 inspections, including spot checks, have been made and the number of inspections per week has increased 120 per cent over the 1970 weekly average. (Western Mining News 9-24-71)

COAL MINE TRAINING PROGRAM

The Bureau of Mines announced it will offer an education and training program for mining industry personnel, state mining regulatory agency personnel and labor union officials which will correspond with the current program for new coal mine enforcement inspectors and will feature training in roof control, ventilation, electricity and health. The course will last about eight weeks and there will be no enrollment or tuition cost. The first course started Oct. 14 in Beckley, West Virginia, and others will be announced later. Interested persons should contact the Office of the District Manager, Coal Mine Health and Safety, Dist. 4, Mt. Hope, West Virginia. (Management Digest 10-1-71)

SKAGWAY'S SHIPPING ASSURED

While the Yukon Territory's mining boom has been a source of jealousy and frustration for Alaskan miners, its status as a source of shipping wealth to Skagway seems assured for future Canadian ore shipments. Albert P. Friesen, president of the White Pass and Yukon Railway, made that clear, in a recent visit to the Southeastern port city.

Rail costs are about ten times shipping costs, estimated Friesen. With the distance from Whitehorse to Skagway only about one-sixth of the distance to Prince Rupert, and one-tenth of the rail trip (1,100) miles between Whitehorse and Vancouver, the savings are crucial. In addition, Skagway is two days closer to Japan -- a major market for Yukon ores -- by ocean freighter. (Alaska From The Inside 10-19-71)

COMMUNICATIONS IN MINING

A number of speakers took the mining industry to task during the 1971 American Mining Congress show in Las Vegas, for failing to tell its story--environmentally speaking--to the American public. Colorado Congressman Wayne Aspinall urged the industry to be more aggressive in distributing factual information and seeking support from legislators. He concluded: "If you should be successful in gaining this type of support some balance may then be brought to a (lawmaking) process that is now heavily weighted against your interests..." Said Nevada Congressman Walter Baring: "I am critical of some of your past practices and what to me appears to be a lack of interest and response. In the last analysis you hold the key to the future use of these lands. If you don't guard and protect these rights, they will erode and disappear...."

The message appeared clear: While the mining industry has made many environmental refinements, a credibility gap remains, and it can only be filled with more and better communication. (Alaska From The Inside 10-19-71)

GEOLOGIC MAPS OF ALASKAN PIPELINE ROUTE

Five additional preliminary maps of the engineering geology of the trans-Alaska pipeline route have been prepared by the U. S. Geological Survey, Department of the Interior, completing coverage of the entire 300-mile route from Prudhoe Bay on the north to Valdez on the south.

Including four maps completed a month ago, the full set of nine maps have been placed on open file for inspection in USGS libraries in Washington, D.C., Denver, Colorado, and Menlo Park, California, as well as in USGS field offices at Juneau and Anchorage, Alaska, Spokane, Washington, and San Francisco and Los Angeles, California.

The desk-size maps were prepared by U.S. Geological Survey field teams who have been evaluating the engineering geologic problems along the pipeline route, which crosses major

GEOLOGIC MAPS OF ALASKAN PIPELINE ROUTE (continued)

mountain systems - The Chugach, Alaska, and Brooks Ranges - as well as over 350 streams and rivers, including the Yukon. All but the southernmost 25 miles of the route is in permafrost (perennially frozen ground).

The maps are expected to provide useful information to anyone interested in the proposed pipeline construction, and the effects such construction might have on the environment.

The maps show:

- * Distribution and type of surface materials and bedrock, and description of their possible engineering characteristics.
- * Known and postulated faults (large fractures) in the earth's crust.
- * The presence of permafrost and susceptibility to frost action.
- * Identification of potential landslide hazards.
- * Drainage, topography, and vegetation.

The maps, collectively titled "Preliminary Engineering Geologic Maps of the Proposed Trans-Alaska Pipeline Route," are individually titled as follows:

- (1) Fairbanks and Big Delta Quadrangles
- (2) Tanana and Livengood Quadrangles
- (3) Bettles and Beaver Quadrangles
- (4) Wiseman and Chandalar Quadrangles
- (5) Beechey Point and Sagavanirktok Quadrangles
- (6) Philip Smith Mountains Quadrangle
- (7) Mt. Hayes Quadrangle
- (8) Gulkana Quadrangle
- (9) Valdez Quadrangle

Copies of the maps are available for inspection in the following U.S. Geological Survey Libraries: 1033 GSA Bldg., Washington, D.C. 20242; Bldg. 25, Federal Center, Denver, Colo. 80225; and 345 Middlefield Road, Menlo Park, Calif. 94025.

Copies are also available for inspection at: Brooks Bldg., College, Alaska 99701; 441 Federal Bldg., Juneau, Alaska 99801; 108 Skyline Bldg., 508 2nd Ave., Anchorage, Alaska 99501; 678 U.S. Court House Bldg., Spokane, Wash. 99201; 504 Custom House, San Francisco, Calif. 94111; 7638 Federal Bldg., Los Angeles, Calif. 90012; 1012 Federal Bldg., Denver, Colo. 80202; and in the offices of the Alaska Div. of Geological Survey, 509 Goldstein Bldg., Juneau, Alaska 99801; 323 E. 4th Ave., Anchorage, Alaska 99504; and University Ave., College, Alaska 99701.

A limited number of copies are available free of charge from Technical Data Unit, Alaskan Mineral Resources Branch, U.S. Geological Survey, 345 Middlefield Rd., Menlo Park, Calif. 94025. (Dept. of the Interior 10-21-71)

COUPLE REFUSE TO GIVE UP

An article which we thought may be of interest to Alaskan gold mine operators recently appeared in The Seattle Post Intelligencer and is as follows:

SUMPTER, Ore. -- (AP) -- Skeletons of buildings erected in the early 1900s are all that remain of the Eastern Oregon gold mining town. For 23 years, Earl Frisco and his wife, Doris have been mining their mountainside Bear Gulch claim in Eastern Oregon some 40 miles west of Baker. They live in a one-room log cabin and a shed near their home contains supplies and an electric generator used occasionally for light and power for their radio. A tiny spring serves as a summer refrigerator -- ice and snow of winter provides a marvelous freezer. Cruel Blue Mountain winters keep the couple isolated for long months.

COUPLE REFUSE TO GIVE UP (continued)

Although plagued by poor health and lack of capital, the Friscos haven't given up. Gold out of his hillside claim has assayed at \$640 a ton and it gets richer as you go deeper. All someone needs is the equipment to bring it out and process it. At one time he sluiced anywhere from 50 cents to \$1.50 worth of gold from each wheelbarrow load of rock he dug out of his tunnel but since then it has collapsed and his lungs have gotten so bad that despite the clean mountain air, he has to keep oxygen nearby at all times.

Frisko uses water diverted from a stream high up in the mountains to power his old monitor the only such "water cannon" still operating in the area. The gravel and water mixture is riffled down a long sluice box where gold and some of the finer gravel settle out. A second sluice box washes out more gravel leaving concentrate which is hand panned until only gold remains. One panful is worth 25 to 50 cents. A dollar's worth of gold a day is a good picking and represents a hard day's work.

ALASKA MINING CLAIMS

<u>Number of Claims</u>	<u>Creek or Area</u>	<u>Quadrangle</u>	<u>Date Notice Posted</u>
3	Caribou Creek	Anchorage	June-August 1971
6	Willow Creek	Anchorage	September 1971
1	Little Susitna River	Anchorage	September 1971
1	Anthracite Ridge	Anchorage	July 1971
1	Reed Creek	Anchorage	August 1971
2	Rudy Creek	Bendeleben	August 1971
2	Texas Creek	Bradfield Canal	August 1971
8	Deadwood Creek	Circle	June-September 1971
22	Copper Mountain	Cordova	September 1971
14	San Juan Batista Island	Craig	September 1971
3	Hetta Creek	Craig	September 1971
10	Dora Lake	Craig	September 1971
1	Columbia Creek	Eagle	September 1971
1	O'Brien Creek	Eagle	September 1971
5	Mt. Veta	Eagle	July 1971
1	Taylor Highway	Eagle	June 1971
5	Ester Dome	Fairbanks	June-August 1971
2	Wattamuse Creek	Goodnews	September 1971
4	McDowell Creek	Goodnews	September 1971
437	Sec. 21, T19S, R10W	Healy	July 1971
4	Partin Creek	Healy	August 1971
1	Rusty Creek	Healy	July 1971
3	Colorado Creek	Healy	August 1971
34	Gravina Island	Ketchikan	May 1971
15	Rad Glacier	Ketchikan	July 1971
8	Indian Point	Ketchikan	September 1971
1	Hutlinana Creek	Livengood	June 1971
1	Cario Creek	Livengood	June 1971
4	Nelson Mountain	McCarthy	August 1971
5	Crumb Gulch	McCarthy	September 1971

ALASKA MINING CLAIMS (continued)

<u>Number of Claims</u>	<u>Creek or Area</u>	<u>Quadrangle</u>	<u>Date Notice Posted</u>
165	Chitistone River	McCarthy	September 1971
6	Kuskulana River	McCarthy	September 1971
20	Donoho Peak	McCarthy	July 1971
6	Weldon Creek	Mt. Hayes	August 1971
6	Little Kamishak River	Mt. Katmai	August 1971
7	Caribou Creek	Nabesna	July 1971
19	Gravel Creek	Nabesna	July 1971
71	Bond Creek	Nabesna	July 1971
3	Slug Gulch	Ophir	September 1971
1	Eldorado Creek	Ophir	July 1971
1	Falls Creek	Seward	July 1971
1	Resurrection Creek	Seward	September 1971
2	Kelsall River	Skagway	September 1971
5	Murray Creek	Sleetmute	September 1971
11	Boulder Creek	Talkeetna	June 1971
1	Cache Creek	Talkeetna	July 1971
94	Treasure Creek	Talkeetna Mtns.	July 1971
27	Granite Creek	Talkeetna Mtns.	August 1971
6	Milepost 1272 Aican	Tanacross	July 1971
52	West Fork	Tanacross	July 1971
285	East Fork	Tanacross	July 1971
4	Hona Peak	Tanacross	July 1971
1	Boston Creek	Tanana	August 1971
231	Tin Creek	Teller	September 1971
1	Benito Creek	Valdez	July 1971
32	Copper Creek	Valdez	August 1971
2	Mascot Creek	Wiseman	August 1971

METAL MARKET

<u>Metals</u>	<u>Oct. 25, 1971</u>	<u>Month Ago</u>	<u>Year Ago</u>
Antimony ore, stu equivalent			
European ore	\$8.64-10.00	\$8.64-10.00	\$16.96-18.70
Barite (drilling mud grade			
per ton)	\$18-22	\$18-22	\$12-16
Beryllium powder, 98%, per lb.	\$54-66	\$54-66	\$54-66
Chrome ore per long ton	\$25-27	\$25-27	\$31-35
Copper per lb.	52.8¢	52.9¢	56.0¢
Gold per oz.	\$42.80	\$42.90	\$38.70
Lead per lb.	14.2¢	14.1¢	15.0¢
Mercury per 76# flask	\$269-275	\$283-286	\$340-345
Molybdenum conc. per lb.	\$1.72	\$1.72	\$1.72
Nickel per lb.	\$1.33	\$1.33	\$1.33
Platinum per oz.	\$120-125	\$120-125	\$122-127
Silver, New York, per oz.	133.0¢	141.5¢	172.6¢
Tin per lb.	168.0¢	167.1¢	174.0¢
Titanium ore per ton (Ilmenite)	\$30-35	\$30-35	\$30-35
Tungsten per unit	\$55.00	\$55.00	\$50-53
Zinc per lb.	17.0¢	17.0¢	15.5¢