

Mr. B. D. Stewart, Commissioner of Mines
Territorial Department of Mines
P.O. Box 2811
Juneau, Alaska

February 25, 1948

FIELD TRIP-LIVENGOOD

Dear Mr. Stewart:

At the special invitation of Mr. D. C. Beyer, Manager of Livengood Placers, Inc., I made a field trip to Livengood to inspect the company operations there. As a special courtesy to the Department of Mines my transportation and other expenses were borne by the company.

I left Fairbanks Sunday morning, February 21st and returned on Tuesday morning, February 24th. While at Livengood I had a very pleasant visit with Mr. Beyer and we discussed the many problems confronting his company. At the present time Livengood Placers, Inc., is repairing the damage suffered to their tunnel as a result of the break which occurred at the intake last summer. The total extent of the damage is not known and will not be known until they complete the sinking of a 110 foot shaft at a point mid-way on the tunnel. Approximately 200 feet of wood stave pipe was damaged near the intake and this is being replaced with steel pipe.

The tunnel which is 2800 feet long is in frozen gravel and timbered throughout. A 42" "red" wood stave pipe conveys the water from the reservoir, on the Hess Creek water shed, to the Livengood Creek drainage thence down a ditch to the present site of operations. When the water broke through from the reservoir about 200' of the tunnel was caved near the intake and considerable gravel was washed into the lower section of the tunnel. The wood stave pipe near the intake was damaged but the remaining pipe is still intact and is open and free of any obstruction. However, the tunnel is not accessible due to the excessive amount of gravel piled alongside of the outside of the pipe. When the shaft is sunk they hope to be able to clean out the gravel and then ascertain if any serious damage has been done to the square sets and lagging.

The damage to the tunnel has impaired the progress of their operations considerably and is a serious blow. It is doubtful if they will be able to conduct very extensive

operations during the coming season. The Livengood Placers, Inc., have had many setbacks during the past years without the benefit of much production.

At the present time Livengood Placers, Inc., is under obligation to the R.F.C. for over \$2,500,000. With this principle bearing an interest rate of 4% there is much to be retired before profits are realized by the stockholders.

During the past year Livengood Placers, Inc., revalued a portion of their reserves with the following results:

20,000,000	cubic yards of muck
10,000,000	cubic yards of dredge section
\$ 7,300,000	Total value
73¢	average value a cubic yard dredge section

They estimate that they can strip for 6¢ a cubic yard, thaw for 10¢ a cubic yard, and dredge for 20¢ a cubic yard; a summation on the basis of these costs is as follows:

\$ 1,200,000	muck
1,000,000	thawing
2,000,000	dredging
<u>4,200,000</u>	TOTAL COSTS TO MINE ABOVE RESERVES

The above figures are highly confidential and will be respected by the Department of Mines. I made a study of the computations of these reserves at the time I visited the operations and the figures that I quote are quite accurate.

At the present time there are about 25 men employed on the project; these men are engaged in repairing the tunnel. I did not observe any unsafe labor practices or hazardous conditions while at the property. My actual visit at the tunnel was quite short but observations for unsafe conditions were first in mind.

I am not requisitioning for travel allowance inasmuch as transportation and board was furnished while away from headquarters.

With kindest personal regards I remain

Yours very truly,

Bruce I Thomas
Department of Mines
College, Alaska