

MINING ACTIVITIES

FIRST DIVISION - Two Juneau attorneys have incorporated Red Hawk Mines Alaska, Inc., to take over the reopening of the Riverside Mine under DMEA agreements. This operation was previously planned by Pacific Northern Minerals of Spokane. The directors of the new firm are of Vancouver, B. C., and are associated with Red Hawk Gold Mines, Ltd., of that city.

Approximately \$15,000 worth of diamond drill and electrical equipment has been landed at Funter Bay. A drilling contractor and crew are at the site and expect to be drilling on the nickel-copper lode within a very few days.

THIRD DIVISION - Four men have incorporated Red Top Mercury Mines to mine the prospect formerly referred to as the Wren-Waskey-Wolfe prospect. The property is located on Marsh Mountain near Aleknagik, inland from Dillingham, and is considered quite promising. The incorporators are Frank Waskey, Clarence Wren, Jim Putvin, and Charles Wolfe.

FOURTH DIVISION - Hugh Matheson and Jack Neubauer are taking a "cat" train overland from Livengood to their mining ground on Big Creek in the Chandalar. Starting on March 22, they expected to arrive at Big Creek in about 3 weeks. The cats are two D-8's and will be used on the ground in addition to two smaller tractors driven in from Beaver this past winter.

Work is going ahead at the DeCoursey-Brewis Red Devil mercury property. The mine has been unwatered, and the camp has been rehabilitated. Some difficulties are being experienced in complying with Coast Guard regulations concerning the company's river barge "Cinnabar."

NEW TERRITORIAL LAWS

Among the new laws passed by the 1955 Legislature are the following chapters which will be of interest to miners and prospectors:

Chapter 78: Raised the exemption under the Mining License Tax from \$10,000 up to \$40,000 of the net income. Amounts between \$40,000 and \$50,000 will be taxed now at 3%, and above \$50,000 the tax remains the same as in Chapter 26, SLA 1953. This legislation was introduced by Senator Butrovich.

Chapter 63: Known locally as "Mike Erceg's Bill," this chapter classifies mining claims within school districts for taxation purposes as follows: ".....all property in said school district, not expressly exempt, shall be subject to taxation, and shall be valued and assessed at its actual value, except that the assessed value of unimproved, unpatented mining claims which are not producing, and nonproducing patented mining claims upon which the improvements originally required for patent have become useless and valueless through depreciation, removal, or otherwise, is

hereby fixed at \$200.00 per each twenty acres or fraction thereof, except that if the surface ground of any such claim is used for other than mining purposes and has a separate and independent value as pertains to such nonmining uses, and improvements and personal property incidental to such uses shall be assessed at the actual value thereof."

Chapter 120: Requires all persons employed for detonating explosives in the construction industry to obtain certificates of fitness and penalizes their employers for noncompliance. Requires the TDM to perform the examining and certifying of the persons concerned, a function which is ordinarily handled by the State industrial board or department of labor. This Act does not apply to prospectors and persons employed in mining.

Chapter 129: Sets up a means for the TDM to provide certain equipment to prospectors for a nominal rental fee. The Act states that two small portable diamond drills, four Geiger or scintillation counters, four mineralights, and possibly other equipment will be placed at each of the four TDM field stations for the purpose. The equipment will be made available on a first-come first-served basis for limited periods of time to applicants if various requirements are fulfilled in the judgment of the assayer or engineer in charge. It will require several weeks before the equipment will be on hand and the program properly organized.

Chapter 132: Creates a Board of Boiler Rules which is charged with safety inspections of boilers and enforcement of a boiler code. The Commissioner of Mines is a member of this board.

Chapter 180: Creates a Resource Development Board which is composed of a number of Territorial department heads, including the Commissioner of Mines. This Board replaces the old Alaska Development Board, and its listed duties are numerous, but they are all directed toward actions that should accelerate the development of Alaska's natural resources.

Chapter 189: Sets up procedures for leasing of Alaska-owned oil and gas lands which will become effective at such time as the Federal Government grants and conveys the lands, in fee simple, to Alaska.

OIL NEWS

Alaska now has an oil and gas conservation law. It is Chapter 40, SLA 1955, and is defined as follows: "An Act defining and prohibiting the waste of oil and gas in the Territory of Alaska; creating the Alaska Oil and Gas Conservation Commission; placing the administration and enforcement of the Act as a responsibility of the Alaska Oil and Gas Conservation Commission; defining powers and duties of the Alaska Oil and Gas Conservation Commission with respect to the conservation of oil and gas; providing for the enforcement of this Act and the rules, regulations and orders of the Alaska Oil and Gas Conservation Commission; providing for the filing and hearing of complaints concerning the waste of oil and gas, and for oaths, subpoenas, suits and appeals; providing for a tax on oil and gas produced in this Territory for the purpose of administering this Act; providing penalties for violations thereof, and other matters properly relating thereto." Passage of this Act at this time was a very good thing, as shown by the confusion in States where oil was struck before laws were passed to cope with the inevitable new problems. Chapter 40 was adapted from the best of the existing Stateside conservation acts, and is patterned mostly after the Nevada Act which, like Alaska, contains much Federally-owned land. The Oil and

Gas Conservation Commission is composed of the Governor, Territorial Highway Engineer and the Commissioner of Mines. No regulations will be made by the Commission without first holding public hearings which will be publicized in advance. Unitization and unitized operation of oil pools are included in the provisions. The tax is a small one of 5 mills per barrel of oil or 50,000 cubic feet of gas. It is merely to pay the expenses of the Commission, and is not a severance tax as has been erroneously reported. Stateside taxes run from 3 to 11 cents per barrel, so our 1/2¢ tax should not discourage the industry.

Following the shipping in of large amounts of drilling mud and a control head to the Phillips drilling site near Icy Bay, rumors were circulating that a tremendous gas pressure has been encountered. Company officials have made no statements, however.

The Alaska Natural Gas and Petroleum Corp. of Anchorage has announced they will start drilling for natural gas in the Chugiak area this summer. Chugiak is 21 miles NE of Anchorage on the Glenn Highway.

GEOCHEMICAL PROSPECTING COURSE

The University of Alaska School of Mines is planning to conduct its second geochemical course at College in May. The course will last for two full weeks--including two weekends--and though a starting date has not yet been definitely set, it will probably be May 9. Instructors for the course will be Leo Mark Anthony, Mining Extension Course instructor who has taken special training in geochemical work, and Dr. N. R. Mukherjee, Professor of Metallurgy. Water and soil sampling techniques will be taught and students will prepare their own field kits and use them in actual field work under supervision. Particular attention is paid to simple and rapid field methods. The course is intended for experienced prospectors, and 100% attendance will be required. Beginners should have attended the Mining Extension Course or Mining Short Course previously. A fee of \$10 will be charged. All TDM assayers will attend this particular course so that they will be better qualified to assist prospectors later with advice and help in preparing solutions, when requested. For further information, write Dean Earl H. Beistline, School of Mines, University of Alaska, College, Alaska.

One result of the first geochemical course given at College last fall was the formation of an active group of 14 prospectors calling themselves the Geochemical Prospectors Club. They meet at College every Tuesday evening to discuss, experiment with, and improve their geochemical procedures. This is beyond doubt the most advanced and most serious prospectors' club in Alaska, and they are very likely to make some good discoveries this coming summer.

RADIOMETRIC EQUIPMENT DEALERS

For the information of prospectors wishing to buy Geiger or scintillation counters, the following is a list of Alaskan dealers handling such equipment. This list includes all the dealers of which we are aware; and if there are others, we would be pleased to be so advised.

Anchorage: Anchorage Radio and Television, Inc., 493 Fourth Avenue
Alaska Exploration and Development Corp., 133 Fifth Avenue
Spenard; Alaska Airmotive, Inc., Lake Hood
Fairbanks: Fred Weseman, 1546 Cushman Street

Patrick Sales, 2107 Cushman Street
 Frontier Sporting Goods, 517½ Second Avenue
 Juneau: Alaska Radio Supply, 307 Seward Street
 Skinner's Gun Shop, 118 Seward Street
 Channel Radio, 120 Second Street
 Ketchikan: Prospector Equipment Company, Box 2202

PRICE OF SILVER

It has come to the attention of the TDM that some miners are not receiving as high a price for the silver content of their gold as they could. An explanation follows:

The price of newly-mined silver at the Mint is 90-1/2¢ an ounce, but unless it is properly certified by the miner that it is newly-mined, the Mint pays only the New York price, which is lower. For the higher price, the Mint requires that affidavits on forms TSA 10 and TSA 20 be submitted with the shipment, certifying that it is newly-mined. As additional information, gold shipments from the miner must be accompanied by form TG-19, or if the gold purchaser is shipping the gold, then form TG-21 must be sent.

CONGRESSIONAL MINING BILLS

H. R. 230 by Young (Rep., Nev.) and S. 1098 by Neuberger (Dem., Ore.) would remove "deposits of common varieties of sand, stone, gravel, pumice, pumicite, or cinders" from acquisition under the mining laws and would provide for their disposition under the Materials Act of 1947, which is a permit system. Block pumicite which occurs in nature in pieces two inches or more in one dimension would not be included in the above classifications. The bills would not prevent the location of ground containing the above materials under the mining laws if the locations were to be based upon the discovery of other minerals subject to location under the mining laws.

S. 687 by Anderson (Dem., N. M.) contains the same provisions as the above two bills, and in addition has many proposed regulations for claims in National Forests similar to those in the Hope Bill. The Hope Bill was outlined two months ago in the February TDM Bulletin.

E. AND M. J. METAL MARKET PRICES

	March 31, 1955	Month Ago	Year Ago
Copper, per lb.	33.2¢	32.7¢	29.7¢
Lead, per lb.	15¢	15¢	13-1/2¢
Zinc, per lb.	11-1/2¢	11-1/2¢	10-1/4¢
Tin, per lb.	91-1/8¢	91-1/4¢	95-1/2¢
Quicksilver, per flask	\$320-323	\$322-324	\$205-207
Silver, foreign, New York	88-1/2¢	85-1/4¢	85-1/4¢
Silver, domestic, per oz.	90-1/2¢	90-1/2¢	90-1/2¢
Platinum, per oz.	\$76-80	\$76-80	\$84-87
Nickel, per lb.	64-1/2¢	64-1/2¢	60¢
Molybdenum, per lb.	\$3	\$3	\$3
Tungsten ore, per unit	\$63	\$63	\$63