

Territory of Alaska
Department of Mines

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TDM BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - The litigation over the Yakobi Island nickel deposits is apparently over. The First Division District Court has issued a judgment recognizing an out-of-court agreement, and the way is now open for exploration work to proceed. It has been indicated that drilling will be started in the approaching season.

COAL NEWS

We have an old but voluminous coal report in our Anchorage office that will be of interest to many who are concerned with coal in the Chickaloon area. It is the "Chickaloon Coal Progress Report" by Capt. W. Hill, USMC, 1925.

Usibelli Coal Mines, Inc. has established a new retail outlet for coal in Fairbanks.

A shipment of 26 tons of beneficiated coal to Fairbanks for testing purposes was made by Mrs. W. E. Dunkle from Colorado Station on the Alaska Railroad.

OIL NEWS

As a result of the Richfield strike on the Kenai Peninsula, and of course the enabling legislation already passed by the Territorial Legislature, Alaska has now been admitted as a full and qualified member of the Interstate Oil Compact Commission. The IOCC is an organization of most of the oil-producing States dedicated to the principles and advancement of oil and gas conservation. It obligates members to abide by rules and regulations to accomplish its purpose. The Commissioner of Mines is Alaska's official delegate to the IOCC, which meets twice a year.

Colorado Oil and Gas have less than a thousand feet to go to reach the projected depth of 11,500 feet in their second hole near Yakutat. They have experienced difficulty with squeezing ground in a faulted zone.

Richfield is below 11,500 feet in their second hole. They deny rumors of a second strike, though they are deeper than the depth of the oil sands in the discovery well a short distance away.

General Petroleum Corp. will apparently become more active in Alaska. It has opened a land office in Anchorage, and is reportedly planning geophysical work for the coming year.

HAVE YOU SENT IN LAST MONTH'S PINK SLIP? If not, and if we don't hear from you before the end of February, this will be your last Bulletin.

Concerning the big debate over oil well drilling and production on the Kenai Moose Range, it will be allowed on certain portions and under special provisions and regulations, and the Secretary of the Interior will have the final approval or veto of projected plans. Nearly half of the total acreage has been designated as open to drilling, and the USBLM will start issuing the applied-for leases within the open areas as soon as additional specifications are received from the Secretary. It is presumed that the regulations established will be followed in other Alaskan wild-life ranges.

Public hearings by the Alaska Territorial Oil and Gas Conservation Commission on its proposed rules and regulations will be held in early March.

The Alaska Scouting Service is starting the Alaska Abstract Service. This will consist of weekly bulletins listing all current oil and gas lease applications, and all old applications and their current status. These bulletins will be supplemented by maps showing locations of the filings, leases, etc. Further information should be obtained from the Alaska Scouting Service, 5240 University Way, Seattle 5, Washington.

Alaska Oil and Mineral Co. and King Oil, Inc. (Delaware) have announced a joint drilling program to start soon on their holdings adjacent to Richfield's Swanson River Unit, scene of Richfield's strike.

Last month we erroneously reported that copies of the open-file report "Geology of Possible Petroleum Provinces in Alaska" would be reproduced at private expense for about \$15. The USGS informs us that the cost is approximately \$30. Sorry if we inconvenienced anyone. They also inform us that the report has now been cleared for publication as a Survey Bulletin.

PROSPECTOR ASSISTANCE PROGRAM

As authorized by the 1957 Territorial Legislature in Chapter 117, the TDM will administer a prospector assistance program starting this year. The assistance may consist of furnishing the prospector with: (a) transportation to and from the selected area, the cost of which shall not exceed \$200 per season, (b) food and equipment necessary for prospecting, the cost of which shall not exceed \$100 per month for actual time spent prospecting or \$300 per season, (c) monthly delivery of supplies and checking on prospector's work and well-being. Prospectors will be chosen by drawing lots if there are more favorable applications than can be accommodated. Assistance will not be granted for an operation of less than one month nor more often than once per year. Assistance will not be granted to more than one prospector in one family or one prospecting party. Applicants must be U.S. citizens and bona fide residents of Alaska. The TDM may grant or refuse assistance depending on the apparent qualifications of the applicant, and will discontinue the assistance at any time it appears a chosen prospector is not properly or diligently prospecting.

Rules and regulations for the operation of the program and special application forms may be obtained at the TDM offices in College, Anchorage or Ketchikan, or by writing to the TDM at Box 1391, Juneau. The rules are rather strict, and the prospectors' field work will be watched as closely as possible. An earlier prospectors' program in the 1930's was called a failure because of lack of supervision, and we hope to avoid repetition of that failure.

It is not intended that the prospector shall work in areas already heavily prospected unless he can give a satisfactory reason for doing so. He may not work

on prospects he has already held, nor on well-developed prospects, nor may he do assessment work under the program. He will be required to write a daily diary-type of report which he must turn in to the TDM at the close of the season. To be considered with the first group, application blanks must be completely filled out and received in the Juneau TDM office before 10:00 AM April 1, at which time lots will be drawn if necessary. Later applications will be considered if the initial number is insufficient. We plan to choose about four prospectors from each of the four Divisions.

AREAS FOR DETERMINATION OF SURFACE RIGHTS

Six more areas have been designated by the U.S. Forest Service for the determination of surface rights on mining claims under Public Law 167 of July 23, 1955. These are in addition to the areas reported in earlier issues of this Bulletin. Holders of claims staked prior to the date of the Act have 150 days from the starting date of publication to file verified statements if they wish to retain exclusive surface rights to their claims. Publication on the first three areas listed below started on January 29 in the Juneau Daily Alaska Empire and on the remaining three areas on January 31 in the Petersburg Press. Descriptions of the areas follow:

Berners Bay Area: That portion of the mainland west of Berners Bay and Berners River and south of an east-west line extending from the southern tip of Sullivan Island.

Lynn Canal Area: A strip approximately four miles wide on the west side of Lynn Canal from Point Howard to the Endicott River and including Hump and Lincoln Islands.

Excursion Inlet Area: All of the east side of Excursion Inlet from the entrance to the cannery site near the head of the Inlet and east to the crest of the Chilkat Range.

Duncan Canal Area: That part of Kupreanof Island bounded on the north by an east-west line through Flat Point in Portage Bay, on the west by a north-south line through Big John Lake, on the south and south-east by a line from the main fork of Big John Creek to the southernmost Castle Islands, and on the east and northeast by a line from the Castle Islands to Flat Point.

Woewodski Island Area: All of Woewodski and Butterworth Islands and adjacent smaller islands, those portions of Mitkof and Kupreanof Islands which are within 1-1/2 miles of Wrangell Narrows from Anchor Point to Point Alexander, and those portions of Mitkof Island which are within 1/2 mile of Blind Slough.

Totem Bay Area: All lands on the south end of Kupreanof Island bounded on the north by an east-west line through the north end of Kah Sheets Lake, on the east by a north-south line through the mouth of Kah Sheets Creek, on the south by an east-west line through Shingle Island, and on the west by a north-south line situated 3 miles west of Little Totem Bay.

PROPOSED ARCTIC WILDLIFE RANGE

Formal application has been filed by the USFWS for the withdrawal of land for the proposed Arctic Wildlife Range in the northeast corner of Alaska. The description of the land desired states that the proposed withdrawal contains approximately 6,400,000 acres, but we have measured it very carefully and find that the area contains over 8,900,000---practically nine million acres. This is an area approximately equal to the combined areas of Massachusetts, Connecticut, and Rhode Island or to

those of Maryland and Delaware. The area, roughly, is bounded on the west by the Canning River, on the south by a line a little north of the 68th parallel, on the east by Canada, and on the north by the Arctic ocean.

The land will be withdrawn from all forms of appropriation or entry under the public land laws. The application states "Mineral leasing will be permitted on and after September 1, 1958, in accordance with such regulations as on that date govern oil and gas leasing on Federal wildlife lands. Mining locations will be precluded until on and after September 1, 1958." There is no mention of what, if anything, will be done about the other Leasing-Act minerals such as coal, phosphate, and sulfur. There is no mention of how or under what conditions mining locations may be made after September 1.

Until March 14, written objections may be presented or sent to Mr. L. T. Main, Operations Supervisor, U.S. Bureau of Land Management, Box 480, Anchorage, Alaska. If circumstances warrant, a public hearing will be held. We urge all interested parties to make their opinions or views known.

B. C. MINERAL PRODUCTION

Mineral production and exploration in British Columbia decreased markedly in 1957 from that of 1956. Value of minerals produced dropped from \$190 million to \$165 million, and the number of claims staked dropped from 26,000 in 1956 to 11,500 in 1957. Within the past year, 14 mines of consequence and a number of smaller operations have closed. The reasons given for this decline in production and exploration are the squeeze between dropping metal prices and increasing costs, and the unfavorable mining legislation passed last year by Provincial Legislature.

Aided by our new uranium mine, Alaska's mineral production increased slightly through 1957. We will report on this next month.

E. AND M. J. METAL MARKET PRICES

	<u>Jan. 23,</u> <u>1958</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	24.5¢	26.6¢	35.5¢
Lead, per lb.	13¢	13¢	16¢
Zinc, per lb.	10¢	10¢	13-1/2¢
Tin, per lb.	92-1/4¢	89.1¢	102-3/4¢
Quicksilver, per flask	\$220-225	\$225-230	\$255-257
Silver, foreign, New York	89.6¢	89.6¢	91-3/8¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Nickel, per lb.	74¢	74¢	74¢
Molybdenum, per lb. in con.	\$1.18	\$1.18	\$1.18
Platinum, per oz.	\$75-80	\$76-80	\$98-101
Titanium ore (Ilmenite)			
per ton	\$26.25-30.00	\$26.25-30.00	\$26.25-30.00
Tungsten ore, per unit	\$19.50-20.00	\$19.50-20.00	\$55.00
*Chrome ore (48%, 3 to 1 ratio)			
per ton	\$115.00	\$115.00	\$115.00

*GSA guaranteed stockpile price. Not quoted by E. & M. J.