Territory of Alaska
Department of Mines

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MINING ACTIVITIES

FIRST DIVISION - A new diamond drill program for the Admiralty Alaska Funter Bay nickel property is in the tentative planning stage. After a 1585-foot advance of the original 2565-foot adit at the 200-foot level, a diamond drill hole was driven 680 feet further from the face. This hole apparently did not reach the downward extension of the Mertie Lode. Several hundred feet back of the present face, a zone of copper-nickel mineralization was noted in the schist country rock, the first such occurrence noted at this horizon.

Two independent Ketchikan prospecting parties now own Sharpe Model A-3 magnetometers, and are using them in the air and on the ground in the search for undiscovered iron deposits in that region. This instrument was mentioned in our January issue. It is extremely lightweight and can be quickly installed in or detached from aircraft for ground use. Anomalies have been detected over known deposits up to 500 feet in altitude. A Ketchikan firm handles rentals and sales of these instruments.

THIRD DIVISION - The Jewel Ridge Coal Co. of West Virginia is planning an extensive exploration project in the Bering River Coal Field, which is about 50 miles east of Cordova. If results are favorable, a large production of coal for shipment to Japan will result. Jewel Ridge is reportedly also looking into the Broad Pass coal on the Alaska Railroad, which was the property of the late W. E. Dunkle.

OIL NEWS

Humble Oil and Refining Co. is having a rough time with its drilling at Bear Creek Unit No. 1 on the Alaska Peninsula. For over a month the crew has been fishing for lost tools at below 10,000 feet. Now they have reamed the hole all the way down, and will fish some more.

Standard of California has its Deep Creek Unit well on the Kenai drilled to below 12,000 feet and is continuing.

Anchorage Gas and Oil Development Co. is drilling on down at about 4,500 feet at the Rosetta Well No. 3 at Houston.

Permission was finally given by the Fish and Wildlife Service to waiting geophysical crews of Standard and Richfield to work within the Kenai Moose Range. The work must be done by helicopter.

The issuance of all oil and gas leases in Alaska is being held up, and likewise the Arctic Slope land and leasing maps which were to be available after May 1, because of confusion over rental rates raised in H.R. 8054. This bill was originally written to provide for leasing beneath tidelands and inland navigable waters in Alaska, and it passed the House with no particular trouble. The Senate Interior Subcommittee has prepared an amended version of the bill in which

they eliminated the provisions for tidelands leasing so that only leasing of lands beneath nontidal navigable waters will be treated. It also specifically provides for an increase in the annual rental and royalty rates on similar Alaskan lands to conform with stateside rates. This is what has caused the commotion, and is a provision not requested by any Alaskan. And, of course, it does not follow that twice the rental rate will bring in twice the revenue to Alaska.

The Subcommittee proposes to make the increased rates applicable to all pending lease applications. As we have mentioned in the past, because of difficulties beyond the control of the Bureau of Land Management in Alaska, they have not been able to keep up with the granting of lease applications. For administrative purposes the BLM has issued leases first in those areas on which maps were available and the land status settled, regardless of the date of the application. As a result, some of the offers to lease are three years old. In the interests of equitable treatment of all lease applicants, it seems proper to make the increased rates effective as of the date of the Act, should it pass Congress in its revised form. Oil lease applicants in Fairbanks and Anchorage are really up in arms over this development, holding mass protest meetings, circulating protest petitions, etc. As we "go to press," the bill is being presented to the full Senate Interior Committee.

POSSIBLE CHANGE OF ASSESSMENT WORK DATE

Nearly every year someone in Congress proposes a change of the deadline date for completion of assessment work, but this year the proposal is getting more attention than usual. Senate Bill 3199, as amended, would, if passed, change the end of the assessment work year from July 1 to September 1, effective in 1959. It would also suspend assessment work requirements for the present assessment year (ending July 1, 1958) for not more than six claims held by an individual or not more than twelve claims held by a partnership, association, or corporation. This bill is known as the "Church-Bible bill", and it has been reported on favorably by the Senate Interior Committee.

In the meantime, we would like to remind all claim holders that there is less than a month remaining in which to complete your assessment work for the current assessment year. It is not likely that the above bill will pass, but if it should, we will make sure that sufficient publicity is given the matter in the papers and over the air.

KODIAK WITHDRAWAL AND OTHERS

On May 9, without a word of warning or a chance for anyone to protest, Secretary Seaton withdrew the Kodiak Wildlife Refuge from hardrock prospecting and mining. This area includes all of Kodiak Island west of a line running roughly north and south at about 153° W longitude. It amounts to 1,820,000 acres. The purpose is for protection of the bears.

The Kodiak Wildlife Range was originally created under the authority of the Act of January 25, 1910, which expressly forbids closing any withdrawn area under that authority to entry under the mining laws. However, the new order was made under authority of Executive Order 10355 of 1952, which allows the Secretary of the Interior to withdraw lands from the public domain, or modify or revoke existing withdrawals in about any way he wishes as long as it is for "public purposes." We have already publicly said that we know of copper and tungsten in

the area, the possibilities of which will now never be known. And it is worthy of note that this is the largest area yet to be withdrawn from mining without advance notice.

In addition to the other proposed and existing withdrawals discussed the past few months, there is also the request for 70,000 acres along the road in Mt. McKinley Park to be withdrawn from mineral entry. Within this area there are also known mineral possibilities. As before stated, the Park officials are already very restrictive about mining operations to the point that the scenery or wildlife certainly will not suffer.

This has certainly turned out to be a bad year for Federal interference with Alaska's chances for future industrial growth. (See also under OIL NEWS). It may be that we can continue to live up here off of the military, the government construction, and the hunters and tourists, if the country is kept in a primeval state, but we don't think so. One important point is that all these withdrawals and interferences are being done and/or pressured for by Statesiders and not Alaskans. Just the other day we saw in the Congressional Record a letter from an official of the National Wildlife Federation to a Congressman stating that the Federation would stop working against statehood if provisions for the various withdrawals were made. This is actually a frightening situation.

There were words spoken about "encroachment of the mining industry" at a recent wildlife and conservation meeting in Colorado. We submit that mining and other industrial "encroachments" have made our country what it is, and on them we depend for our future. We quote from a paper on mineral conservation: "Whether modern civilization gives us a more desirable or less desirable way of life than that of former times is an intriguing topic for philosophical discussion, but we cannot give back all or any part of the civilization that has been handed down to us. Our heritage from the past consists largely of two major parts. The first part is a form of government that provides the basis for the hope that future generations can live in decency and freedom. The second major part of our heritage is our industrialized civilization. These two parts are inseparable. Without the first part, the second could not have grown in the time that has been allotted to it; and if we did not have the second part, the first would have been torn from us long ago. We have an obligation to pass on these two parts of our heritage in the best possible form that we can make them, and that includes an obligation to make the best possible use of the resources that provide the raw materials and the fuels for our industrial machines."

On the proposed Arctic Wildlife Range withdrawal of nine million acres, Secretary Seaton is reported to be favoring asking Congress to withdraw it by legislation. His office informs us, in a letter lately received, that he has not made a final determination as to the means of mineral development and disposal that he will recommend to Congress for use in the area. Congress, at any rate, would hold hearings on the bill at which anyone could testify who can get there. The letter further informs us that should the Range be set up by the Secretary's withdrawal rather than by legislation, public hearings will be held if deemed necessary by the Secretary.

CHROME PURCHASING ENDS

General Services Administration has been purchasing chrome ore on a stockpile quota. It was thought this quota would not be filled before August 1, but Kenai Chrome Co. was suddenly notified by phone from San Francisco that the

program was finished as of that minute. Karl Bachner had to fly from Anchorage down to Jakolof Bay to stop the loading of a barge which was starting that morning. The company now has a large stockpile on the beach which cannot be sold except at a considerable loss.

COAL MINE INSPECTOR EXAMINATION

The Civil Service Commission has announced a new examination for positions of Coal Mine Inspector with the U. S. Bureau of Mines in various coal mining areas throughout the states. Applicants must pass a written test and have had at least five years of practical coal mining experience. Starting salaries are from $5,440 to $7,570 per year. Further information can be obtained from the Board of U. S. Civil Service Examiners, Bureau of Mines, Washington 25, D. C., or the Juneau TDM Office.

MULTIPLE USE ON MINING CLAIMS

A small pamphlet with the above title has been published by the U. S. Bureau of Land Management. It deals with facts and guidelines for miners and prospectors regarding Public Law 167, which has to do with surface rights of unpatented claims, and it goes into particular detail on the timber cutting and selling. This pamphlet can be obtained from any BLM Land Office or the Juneau TDM Office.

E. AND M. J. METAL MARKET PRICES

	May 29, 1958	Month Ago	Year Ago
Copper, per lb.	24.7¢	24.3¢	31.2¢
Lead, per lb.	11.5¢	12¢	15¢
Zinc, per lb.	10¢	10¢	11.5¢
Tin, per lb.	94.5¢	93¢	98.5¢
Quicksilver, per flask	$229-231	$230-235	$255-257
Silver, foreign, New York	89.6¢	89.6¢	90-7/8¢
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.	$63-70	$65-75	$90-95
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 long ton	$46-48	$115.00	$115.00