Territory of Alaska
Department of Mines

P. O. Box 1391
Juneau, Alaska

TDM BULLETIN

Vol. VI

September 1958

No. 9

MINING ACTIVITIES

FIRST DIVISION - Devamin Co., drilling the nickel deposits on Yakobi Island, recently put through a rush order to the States (the original 48, that is) for a new rotor for their helicopter. It seems that one of the drillers in loading or unloading the "chopper" while the rotor was spinning, accidentally raised one end of a 20-foot length of drill rod too high. Transportation was somewhat curtailed until a new rotor arrived.

Exploration work continues at the Klukwan iron deposit near Haines. Columbia Iron Mining Co. (U.S. Steel) has an option on the property which is held by a Canadian company.

Other companies are investigating promising large iron deposits in the vicinity of Bradfield Canal and in the Ketchikan area which have received little earlier attention.

SECOND DIVISION - Fred Parker and Jack Raymond are running the former Havenstrite placer operation near Candle for Jack Bullock, who purchased it last winter. Parker and Raymond are of the former P.R. & H. Co. in the Circle District.

The only other operation remaining in the Candle area is that of Otto Weinard and son on Mud Creek.

Some of our readers might not know that there is a coal mine on the Arctic Slope. It is the Meade River Coal Mine and is located on the Meade River about 60 miles south of Point Barrow. A crew of 3 generally works underground, and production for the second quarter this year was 495 tons.

THIRD DIVISION - A group of eight Japanese representing the top steel and mining companies of Japan are now in the Bering River Coal Field investigating the coking coal possibilities. The group first travelled to Anchorage and Juneau, gathering all possible data in those cities, before proceeding to Cordova and on out to the coal field. All phases of a possible large mining and shipping operation are being looked into. The group is working with the Jewel Ridge Coal Co. of Virginia, which is presently exporting coal to Japan from the East Coast. The advantages in the shorter shipping distance could very well outweigh the disadvantages of getting a new Alaskan field into production.

OIL NEWS

The Alaska Oil and Gas Commission has mailed out its rules and regulations governing conservation which were recently approved. They will become effective October 1, 1958. Public hearings were held last March on the proposed regulations, and recommendations received then and later were carefully considered in making the final draft. Eighteen forms to be used in meeting the requirements

of the new regulations are now being printed and will be available soon.

Standard of California and Richfield abandoned their well on the Deep Creek Unit south of the Moose Range on the Kenai Peninsula, and reported no production there. The hole cost nearly one million dollars and is the deepest ever drilled in Alaska - 14,221 feet. They moved the rig back to the Swanson River Unit, where two previous wells were drilled, and are now drilling below 1,500 feet in the Swanson River Unit No. 3 well. Colorado Oil and Gas is below 7,000 feet in their third well near Yakutat. Humble successfully sidetracked the junk in their well at Wide Bay on the Alaska Peninsula by the use of a new type imported "turbo drill" and a diamond bit. After setting more casing, they are drilling on down below 11,000 feet. Anchorage Gas and Oil Development Co. drilling is presently suspended at 6,050 in their well at Houston. A Schlumberger test was run and other tests are planned.

Heavy filings have been reported for the remaining available Kenai Moose Range lands. There was a 10-day simultaneous filing period when the Moose Range was reopened for filing.

The report is out that Union-Ohio plan to do seismic operations in the Matanuska Valley this winter. This will undoubtedly be watched with interest by the other operators.

John Zappa of Alaska Consolidated Oil reports a deal made whereby his company acquired the Havenstrite holdings at Iniskin. The camp and road are being reconditioned, and a new well will be drilled. The old well will not be deepened.

NEW ASSESSMENT WORK LAW

We didn't think it would pass this year, but it did. The assessment work bill changing the deadline date was signed into law. Starting next year, 1959, the deadline for completing assessment work will be at noon on September 1st. It has no effect on the past assessment year, which ended at noon July 1st, 1958. People who may now be doing assessment work for the assessment year that ends next summer should describe the work as being done for the assessment year ending September 1, 1959. The clause in the original bill allowing for a suspension of work on certain claims was stricken. The amount of annual assessment work required on or for each claim still remains at $100, in spite of newspaper reports to the contrary.

NEW EXPLORATION ASSISTANCE PROGRAM

S. 3817 to provide for a permanent assistance program of exploration loans was passed and signed into law. The new law replaces the former DMEA program. Money will be loaned by the Department of the Interior to private concerns for exploration for specific minerals. Applicants will be required to prove that funds are not available from commercial sources at reasonable rates. The amount of government participation will be limited to $250,000 per contract, and can not exceed 50 percent of the cost of the project. Repayment is to be in the form of royalties on the value of production from the area covered by the contract. Interest will be figured from the date of the loan and will be charged at the regular U.S. Treasury rate plus two percent. The program will depend on yearly Congressional appropriations to keep it alive, and has a $4 million fund for the first year. A new Office of Minerals Exploration will administer the program.

OTHER CONGRESSIONAL NEWS

HR 6785, to allow mining for iron ore in the Chilkat River, was finally passed by the Senate and signed into law by the President. This is one more obstacle out of the way toward the eventual mining of the Klukwan iron deposit.

Also signed is a bill, S. 2039, which will now make it legal for an individual or company to lease up to 10,240 acres of public domain coal lands in any one State, and an additional 5,120 acres in special circumstances. This is an amendment to the Mineral Leasing Act of 1920, which formerly limited coal leasing to 5,120 acres in one State and to a total of 10,240 acres in all States.

S. 2039, the Senate geophysical assessment work bill was amended and approved by the House Interior committee, and on the last day of the session the House and Senate agreed on the changes. This was much farther than similar bills have gone in the past, and it seems certain that the next Congress will pick it up and push it through. As amended, S. 2039 would, if passed, permit geological, geophysical, and geochemical survey work to be considered as labor or improvements with respect to the required assessment work. The latest amendments would limit such surveys to those made "on the ground for mineral deposits" and would prohibit their application as labor for more than two consecutive years or for more than a total of five years. No survey would be allowed to be repetitive of a previous survey on the same claim and radiation detection surveys would not be applicable. The surveys would have to be made by qualified experts with recognized standard equipment and verified by a detailed report filed with the local recording official.

GRAVEL CLAIM CASE

In the case of U.S.A. vs Schaub at Ketchikan recently, the opinion was written by Judge Kelly of the First Division that the gravel claims of the defendant were valid and that the injunction against mining the claims sought by the U.S. was denied. The Judge decided that common sand and gravel suitable for building purposes were minerals under the mining law and could be properly staked as such. However, this decision would only be helpful to claims staked prior to July 23, 1955, for that is the effective date of Public Law 167 which removed common sand and gravel from the mining law minerals.

NEW GEOLOGY HEAD AT U OF A

The University of Alaska has announced that Dr. Troy L. Pewe has been appointed head of the geology department. The geology department is a part of the University School of Mines. Dr. Pewe is well known in Alaska for his work in permafrost and geological engineering. The department will henceforth provide courses leading to a master of science degree in geology.

MISCELLANEOUS

We started out to make our Bulletin look a little fancier by having it printed last month, but we found that certain delays may result, so in the interest of faster service to our "subscribers", we have gone back to mimeographing.

Talking to a B.P.R. man last week, we learned that the road from Fairbanks to Nome will be in the neighborhood of 600 miles long, and that there is only about 500 miles of it left to build. The estimated year of completion is definitely not

being forecast at this time.

Good news from B.C. is that the courts there have thrown out the tax on ore still in the ground. The B.C. government is appealing, but the Canadian mining industry is reported to be confident that the tax cannot be imposed.

Secretary Seaton issued a press release in defense of his authority to withdraw lands for wildlife purposes and close them to the mineral leasing laws. This was his answer to Senator O'Mahoney's statement that the Secretary had no such authority, as detailed in an earlier Bulletin. Appended to the press release was his letter to the Senator and the Solicitor's legal opinion supporting the Secretary's actions.

E. AND M. J. METAL MARKET PRICES

	Aug. 21, 1958	Month Ago	Year Ago
Copper, per lb.	26.5¢	26.5¢	28.0¢
Lead, per lb.	10-3/4¢	11¢	14¢
Zinc, per lb.	10¢	10¢	10¢
Tin, per lb.	94.5¢	95.6¢	94.1¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	$57-65	$58-65	$81-87
Quicksilver, per flask	$238-242	$233-236	$251-253
Silver, foreign, New York	88.6¢	88.6¢	90.9¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	$3.00-3.10	$3.00-3.10	$3.60-3.65
Chrome ore, per long ton	$44-46	$44-46	$115
Molybdenum conc., per lb.	$1.18	$1.18	$1.18
Titanium ore, per ton	$23-26	$23-26	$26-30
Tungsten ore, per unit	$17-22	$17-22	$55