

Territory of Alaska  
Department of Mines

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TDM BULLETIN

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### MINING ACTIVITIES

FIRST DIVISION - In reporting the "chopper" accident at Yakobi Island last month, we have been informed that we insulted the drilling crew. We are told that it was the pilot that poked the drill steel into the spinning rotor, not the driller. We should have realized that no driller could make a mistake like that. Our apologies to the drilling fraternity.

SECOND DIVISION - Two large pieces of jade totaling 3,400 pounds were shipped from Kotzebue to Al Wolk of Skagway, purchaser. Mr. Wolk will cut up the jade for resale. The shipment was by way of Seattle, where the jade had to be taken off the south-bound ship and put on another ship to go back to Alaska.

THIRD DIVISION - The large group of Japanese coal and steel company representatives that personally investigated the Bering River Coal Field during August were reported to be very enthusiastic over its possibilities. They spent more time in the field than was originally scheduled, and sent 3300 pounds of the coal to Japan for testing. They are chiefly interested in coking coal.

FOURTH DIVISION - Ed Toussaint, Fort Yukon, reports that after five years of preparation, he is now ready for production (next spring) on his lode gold property in the Chandalar. He has moved a Fahrenwald mill in and has it set up and will be able to mill up to 20 tons per day. The Chandalar gold veins have been known since the early days of mining in Alaska, but their remoteness has always defeated or discouraged any significant production. The Chandalar district is roughly 200 miles north of Fairbanks.

### OIL NEWS

The Alaska Scouting Service, Box 2278, Anchorage, is planning to publish an Alaska Petroleum Directory which will cover all personnel involved in Alaska oil exploration. They hope to have 1,000 copies printed by November 1st, and propose to sell it for \$5.00 per copy. Anyone wishing information published in the directory should send it to the Scouting Service.

In the first competitive gas or oil leasing in Alaska, 47 bids were made for 26 parcels of land in the Gubik gas field on the Arctic Slope. The acreage totalled 16,000 acres. Alaska Propane Company of Fairbanks was high on 16 parcels at \$9,772.80 each. E. B. Towne, Jr. of San Francisco bid \$65,920 and \$30,003.20 for two parcels. Per acre, the bids ranged from \$1.07 to \$203.00.

Drawings on the simultaneous filings for the noncompetitive portion of the recently opened Arctic Slope were held October 1st, but we do not have the results at the time of writing. A total of 7,406 applications were filed for the 1,306 lease blocks covering 4 million acres.

A nice gesture in the interest of Alaska was made by Global Exploration Company of Denver, when they set up a scholarship at the University of Alaska.

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An assistant geologist for Global, William R. Browne, is the first recipient.

An interesting thought was presented in Anchorage recently by Locke Jacobs when he pointed out to a group of visiting dignitaries that the money being spent in drilling one well by the Humble Oil Company is approaching the purchase price of the Territory of Alaska when acquired from Russia. Humble is now reaming at 12,062 feet in their well on the Alaska Peninsula near Wide Bay.

Colorado Oil & Gas is down to 8,700 feet in its third well near Yakutat. Standard of California and Richfield are down to 11,208 feet in their Swanson River Unit Well No. 3 on the Kenai Peninsula and are preparing the site for No. 4.

#### NEW GEOPHYSICAL ASSESSMENT WORK LAW

According to information received at the time of writing the last Bulletin, S. 2039 to allow for geophysical assessment work had not quite passed before Congress adjourned. However, it somehow did get passed in the final hours of the 85th Congress and was signed into law by the President. It is now Public Law 85-876. This new law permits geological, geophysical, and geochemical work to be considered as labor or improvements on unpatented claims to fulfill the yearly \$100-per-claim assessment work requirement. Geophysical surveys to qualify must be made on the ground (aerial surveys not allowed) and must be made by qualified experts using recognized standard instruments and equipment. A detailed report will have to be filed in the proper recording office stating (1) the location of the work in relation to the discovery point and claim boundaries, (2) the nature, extent, and cost, (3) basic findings of survey, and (4) name, address, and professional background of person or persons doing the work. Such surveys may not be applied as labor for more than two consecutive years nor for more than a total of five years on any one claim. No survey may be applied that is repetitive of a previous allowed survey, and radiation detection surveys will not be applicable.

This geophysical assessment work law is a long-needed addition to our mining law, recognizing modern exploration methods. We are happy to see it in effect. However, we also see that questions will be raised on some of the definitions in the Act, and we wonder who is to say as to who are qualified experts and what are standard methods and equipment. It is logical to expect that the next step in changing our mining laws would be a provision for geophysical discoveries. This step, though needed, should be viewed with caution for it could prove to be a means for large companies to squeeze small operators and prospectors out of new areas. We should never forget to guard the rights of the individual prospectors. There is a definite need for an amendment to the General Mining Laws which would provide reasonable protection to one who is working in good faith to make a legal discovery until he makes that discovery.

#### THE ARCTIC WILDLIFE WITHDRAWAL

The proposed withdrawal of 9 million acres in the northeast corner of Alaska has not yet been settled, but is far from being forgotten. The 5 million acre portion of it that was within the PLO 82 area was withheld from oil leasing, pending further action, when the remainder of the PLO 82 area was released. The original proposal stated that mining claims would be precluded until on or after September 1, 1958. The latest development is a request to extend the time for not allowing mining claims until September 1, 1959. This sort of thing could go on indefinitely. The Secretary of the Interior previously stated that Congress would be requested to enact legislation which would permit mineral entry in this area only under a permit or leasing system. Otherwise it would not be open to mining or



prospecting. The leasing system discourages prospecting for metals, and will delay possible mining developments. Since then, we have been granted Statehood, so we will have some "say" in Congressional affairs. It behooves all Alaskans interested in developing her natural resources to contact our first Congressional Senators and Representative and give them the word on this matter. We are as interested as any of the Stateside conservationists (those from the southern group of 48, that is) in protecting our wildlife, and we know beyond doubt that with proper regulations, mining and oil production can be carried on with no harm done to wildlife. This has been proven in many of the States.

We should mention under this heading that Congressional hearings on the proposed National Wilderness Preservation System bill are going to be conducted in four places in the western States. Alaska has more acreage that would be affected than any other State. We will try to learn at which hearings Alaskan testimony may be submitted. The hearings are presently scheduled as follows: Bend, Oregon on November 7, San Francisco on November 10, Salt Lake City on November 12, and Albuquerque, New Mexico on November 13 and 14.

#### USBM REPORT ON SOUTHEASTERN ALASKA

A useful and interesting report on the mineral possibilities of Southeastern Alaska has been published by the U.S. Bureau of Mines. It was written by Alvin Kaufman of the USBM at the Juneau station. The report includes a brief history of mining in the region, description of mineral occurrences, costs of various items such as food, labor, transportation, etc., and references to other information on the region's mineral resources. The Bureau hopes to do studies on the other regions of Alaska as funds permit. The next one, if published, would be on the Cook Inlet-Susitna Region. This is a worthwhile project. We hope it is completed.

The published report is Information Circular 7844, "Southeastern Alaska's Minerals." A copy may be obtained from the U.S. Bureau of Mines, Publications-Distribution Section, 4800 Forbes Street, Pittsburgh 13, Penna.

#### OFFICE OF MINERALS EXPLORATION

OME is the agency which will handle the new exploration assistance program which was designed to replace the old DMEA function. Proposed rules and regulations for the OME program were published in the Federal Register on September 17. The basic provisions of the law (Public Law 85-701) were reported in our September Bulletin. Some of the regulations of particular interest are reported here.

Alaskan applicants or persons desiring information should write to the U.S. Bureau of Mines, Box 2688, Juneau, Alaska, which office will then forward the correspondence to the Executive Officer of Region I. The following factors will be considered and weighed in passing upon applications: (1) strategic importance of mineral and its criticalness, (2) geologic probability of a significant discovery, (3) estimated cost of exploration project in relation to size and grade of potential deposit, (4) plan and method of proposed exploration, (5) accessibility of the area, and (6) background and operating experience of operator. The government will contribute fifty percent of the cost of approved projects. Minerals eligible at present are antimony, strategic asbestos, bauxite, beryl, cadmium, chromite, cobalt, columbium, copper, corundum, industrial diamond, fluospar, crucible flake graphite, strategic kyanite, lead, manganese, mercury, strategic mica, molybdenum, monazite, nickel, platinum group metals, piezo-electric quartz crystal, rare earths, rutile-brookite,



selenium, block steatite talc, tantalum, thorium, tin, uranium, and zinc. Eligible minerals can be changed from time to time as the Secretary may direct. The program will depend on yearly appropriations from Congress, and there is \$4,000,000 in the fund to start with. Government participation will be limited to \$250,000 on any project, and repayment plus about 5% interest will be repaid out of production from the developed property.

QUARTZ MARKET GONE

The company that advised us a few years ago that they were in the market for good quartz deposits has now advised us otherwise. They informed us by recent letter that a good deposit has been found close at hand, and that they are no longer interested in quartz from Alaska.

E. AND M. J. METAL MARKET PRICES

	<u>Sept. 25</u> <u>1958</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	26.5¢	26.5¢	26.5¢
Lead, per lb.	11¢	10-3/4¢	14¢
Zinc, per lb.	10¢	10¢	10¢
Tin, per lb.	92.8¢	94.5¢	93.5¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	\$55-60	\$57-65	\$81-87
Quicksilver, per flask	\$237-240	\$238-242	\$244-247
Silver, foreign, New York	88.6¢	88.6¢	90.6¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	\$3.00-3.10	\$3.00-3.10	\$2.85-2.95
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	\$15.50-22	\$17-22	\$55

