

Territory of Alaska
Department of Mines

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TDM BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - Though the number of prospecting parties was somewhat less than during the peak year of 1957, it appears that 1958 is the most significant year since the War from the standpoint of discoveries. Discoveries were made this year of copper, nickel, and iron deposits that are of apparent major proportions. These discoveries were of occurrences of absolutely no previous record, and were not limited to the First Division. Also, important reserve figures were worked out for a previously little-known iron deposit in the First Division. Nothing further can be said of the new developments at this time.

THIRD DIVISION - An iron deposit has been found in the Dillingham area by the Humble Oil and Refining Company. A statement by Humble is as follows: ".....A number of placer and lode claims have been filed on a geophysical anomaly in the Dillingham area.....by the Humble Oil and Refining Company. Test hole drilling which was conducted in this area during the past summer resulted in the discovery of iron ore. Assaying and testing of ore samples are being conducted and will be continued during the winter months....."

Jim Fulbert and Julius Moore of Palmer are investigating the possibilities of a vermiculite deposit they have discovered. Vermiculite is a type of mica that can be expanded by heat, making an efficient insulating material for building purposes.

OIL NEWS

A Texas independent oil producer has formed the Halbouty Alaska Oil Co. (Halasko) and has concluded a deal with King Oil Co. of Wichita Falls to drill on the Kenai Peninsula near the Swanson River Unit starting next February. The drill rig will come from near Bakersfield, California, according to reports, and one of the officials has promised production "as soon as we get a well - even if it means trucking it to Seward."

Standard of California has been trucking oil from its Swanson River Unit No. 1 well to Seward for shipment to California for testing purposes. Answering a rising tide of concern among Alaskans that it might not be planning to go into production, Standard stated that it will produce when it becomes economically feasible. Costs of a pipeline to Seward have been estimated at between 10 and 20 million dollars.

In regard to the above paragraph, we might point out that the oil business is not all gravy. The Independent Petroleum Association of America reports that the present price of crude oil is less than it was 5-1/2 years ago. We all know how costs have risen during this time. During this 5-1/2 year period, the oil industry has experienced seven price increases for steel products and five rounds of wage increases. These increases have raised the cost of well casing 40%, line pipe 53%, oil field machinery 23%, and wage rates 24%. Add to this the fact that experience so far shows Alaskan drilling ventures costing about four times as much as State-side drilling. So if an oil company seems to be hesitating before drilling or going into production, perhaps we shouldn't be too critical of them.

A total of 608 out of the 7,406 applications for oil leases on the Arctic Slope were successful in the simultaneous filing drawing at Fairbanks a month ago. Other applications for Arctic Slope land have been received since. Something like 33-1/2 million acres in the whole of Alaska have been applied for since the Standard-Richfield Kenai Peninsula strike of July 1957. Added to the acreage involved before the strike, this brings the total land applied for in Alaska to an approximate 40-million acre mark.

Colorado Oil & Gas is down to 10,507 feet with its Yakutat No. 3 well. Humble has reached a depth of 12,400 at Bear Creek Unit No. 1 well near Wide Bay. Standard & Richfield are past the 11,414-foot level in their Swanson River Unit No. 3 well and are building a road to the site for No. 4. Anchorage Gas and Oil Development Co. have suspended drilling at 6,109 feet in their well near Houston for the winter.

The Petroleum Club of Anchorage has formed an Anchorage Oil Information Committee. Films, demonstrations, speeches, exhibits, and special events will be employed to carry out the committee's mission.

NEW WITHDRAWAL REQUEST

Something new has been added in the way of requested withdrawals. The U.S. Fish & Wildlife Service is now requesting withdrawal of all tide and submerged lands out to the three-mile-limit surrounding its Aleutian Islands National Wildlife Refuge. This refuge includes all of the Aleutians from False Pass on out to the end of the Chain except for Akutan, Unalaska, and Umnak Islands. The reason given for this request is that it is for "protection of and to facilitate the management of the sea otter."

Concerning the four Western States Congressional hearings on the proposed National Wilderness Preservation System reported in our last Bulletin, numerous individuals have requested additional hearings, but none have been granted to our knowledge. It is too bad one of them can't be held in Alaska since we have more acreage involved than any of the other States. The Commissioner of Mines will testify at the San Francisco hearing on November 10, and one other Alaskan that we know of will probably make a presentation at the Bend, Oregon hearing on November 7.

CHANGE OUR PLACER-STAKING LAW?

There is an Alaskan mining law which prohibits any one person from staking more than two placer claims per calendar month in any one recording precinct. We are wondering whether it might be time to have this law repealed.

This law was passed back in the days when staking rushes from one placer camp to the next were still occasionally part of the Alaskan mining picture. As we understand it, the purpose of the law was to prevent the first-comers to a new creek from staking the whole creek. In those days, one man, or even several men, could make good money for several seasons on one good placer claim.

Now, placer gold rushes are a thing of the past. The modern mining picture includes important large iron, limestone, and other types of deposits which often should be staked as placers, but which must be covered by large groups of claims, and quickly, if they are to be of any value to anyone as possible mining operations. "Nuisance" or "fringe" stakers seldom make any money for themselves and

nearly always delay developments. So we are thinking that perhaps the first State Legislature might be prevailed upon to repeal the law, if our readers approve. We would like to have opinions on the question.

NEW TUNNELING METHOD

Information Circular 7846 by the U.S.B.M. is an interesting account of the chemical solidification of tunnel walls. It was used in a Minnesota iron mine tunnel when grouting failed to hold back the mud and sand. The process is that of injecting two solutions separately into the loose strata. These solutions then form a silicic gel upon contact. The first solution is sodium silicate (water glass) and the second a strong saline solution such as calcium chloride. The resulting silicic gel cements the particles of the treated mass and then fills the spaces between the particles, sealing it effectively. As cementation continues, the additional pressure pushes excess water beyond the solidifying range. This is known as the Joosten process, and was invented by a Netherlands mining engineer of that name.

P. L. 167 AREAS FOR DETERMINATION OF SURFACE RIGHTS

Nine 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 many earlier areas within the Tongass and Chugach National Forests, all reported in earlier issues of the TDM 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. Descriptions of the new areas follow:

Port Snettisham Area: All lands for about 6 miles inland from Slocum Inlet south to about 5 miles south of the entrance to Port Snettisham and including portions of Sweetheart Lake and Tracy Arm. Publication started on October 15, 1958 in the Daily Alaska Empire.

Windham Bay Area: Land between Pt. Astley and Endicott Arm south to Hobart Bay and including all of Windham Bay. Publication started October 15 in the Daily Alaska Empire.

Kuiu Island Area: All of Kuiu Island lying north of an east-west line through the head of Rowan Bay, including Hound and Keku Islands. Publication started October 17 in the Petersburg Press.

Affleck Canal Area: All lands on Kuiu Island south of the head of Petrof Bay. Publication starts November 7 in the Petersburg Press.

Thorne Arm Area: All lands on Revillagigedo Island bounded by Thorne Arm, south of Ella Lake, west of Fox Point, and east of a line from Black Mtn. to the head of Shoal Creek. Publication for this and the following four areas started October 22 in the Ketchikan Daily News.

Boca de Quadra Area: All lands within two miles in all directions from a point $3/4$ of a mile south of the head of Marten Arm.

South Gravina Island Area: All lands bounded on the north by an east-west line through Bostwick Pt., on the south and east by Nichols Passage, and on the west by Clarence Strait.

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Behm Canal Area: All lands on Behm Canal north of the abandoned Roe Pt. cannery to Point Louise, and east of Sharp Pt. to a north-south line 1/2 mile east of Checats Lake.

Ketchikan Area: All national forest lands bounded on the north by an east-west line through Nigelius Pt. in Carrol Inlet and through the entrance to Moser Bay, on the east and southeast by Carrol Inlet, on the southwest and west by Tongass Narrows and Behm Canal, and including Betton, Grant, and other smaller islands.

MISCELLANEOUS

It's a rare occasion when the price of something drops. Alaska Steamship Company has announced decreases in freight rates which will probably average around 3%, depending on the commodity and size of shipment.

Every so often someone tells us that Prince of Wales Island is the largest island under the American flag. Actually, Kodiak Island is 28% larger. It has 3,588 square miles as compared to Prince of Wales' 2,800.

After a long down-trend, the metal markets seem to be improving a bit.

The new 52-story Union Carbide building in New York will be resting on lead to prevent vibrations from the trains at nearby Grand Central Station. Each of the 115 supporting steel columns are placed on a pad composed of two layers of asbestos separated by a steel plate and surrounded with a layer of lead to kill the vibrations and make the pad watertight.

A steel boat-building company has developed a way of using platinum anodes to prevent corrosion of small steel boat hulls. They claim that an anode containing 1/3 ounce of platinum will keep a steel hull free of corrosion indefinitely. The electrical requirement is very small.

The U.S. Civil Service Commission has again announced examinations for geologists for the USGS. Applications must be filed with the Board of the U.S. Civil Service Examiners, Geological Survey, Department of the Interior, Washington 25, D. C. not later than December 2, 1958.

Joy Manufacturing Co. and Union Carbide Corp. are working on a remote control system of coal mining whereby mining and transporting machinery will be guided and controlled from the surface, with no one underground. They predict success with this system within 5 to 10 years.

During 1957, nearly 54,000 oil and gas wells were drilled in the U.S.-- and more than 20,000 of them were dry holes. In the past 4 or 5 years, only 17 wells have been drilled in Alaska. All but 3 of these are considered to be dry holes.

(E. and M. J. Metal Market Prices on back of this page.)

Delegate Bartlett has predicted an increase in the price of gold "within two years." We are marking this on our calendar. We hope he is right.

E. AND M. J. METAL MARKET PRICES

	<u>Oct. 23</u> <u>1958</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	27.7¢	26.5¢	26.4¢
Lead, per lb.	13¢	11¢	13.5¢
Zinc, per lb.	11¢	10¢	10¢
Tin, per lb.	96.4¢	92.8¢	91.3¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	\$54-60	\$55-60	\$81-87
Quicksilver, per flask	\$232-235	\$237-240	\$231-235
Silver, foreign, New York	88.6¢	88.6¢	90.6¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	\$3.10-3.20	\$3.00-3.10	\$2.90-3.00
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	\$15.50-22	\$55