State of Alaska
Department of Natural Resources
DIVISION OF MINES AND MINERALS

P. O. Box 1391 Juneau, Alaska

#### MINES BULLETIN

Vol. VII

June 1959

No. 6

# DIVISION OF MINES AND MINERALS

We are now officially the Division of Mines and Minerals under the State Department of Natural Resources, and finally must drop the long-cherished "TDM" designation of this Bulletin. Please note the new name in the heading.

A petroleum engineer and a petroleum geologist are being added to the Division and will be stationed in our Anchorage building when they assume their duties. We have now a stenographer at Anchorage also, so that our Anchorage men at long last have someone to type their letters and reports for them. Irwin Mitchell is assaying at Anchorage, Ralph Pray is back on duty at Ketchikan, and Will Burand will open the assay office in Nome in early June.

#### MINING ACTIVITIES

THIRD DIVISION - A statement is expected soon from the Jewell Ridge Coal Corporation regarding the Bering River Coal Field. Last year, they announced the probability of an exploration program there to try to develop a source of coking coal for export to Japan.

This definitely appears to be the year when more mining companies will be prospecting and doing exploratory work in the Third Division than in the First.

FOURTH DIVISION - The U.S.S.R.& M. Co. suffered a real blow when its Fairbanks Creek dredge sank in its 40-foot-deep dredge pond. It is conjectured that ice-blasting may have opened the hull. The company has not yet announced plans for putting the dredge back into operation.

Strandberg Mines, Inc. will be operating with draglines and washing plants in three locations this summer: Manley Hot Springs, Folger, and Utopia.

#### OIL NEWS

It looks as if there will be a minimum of ll rigs drilling in Alaska this year. Pan-Alaska Corporation plans to drill in the Koyukuk Basin. Mountain States Drilling Company will have a rig in operation for Standard on the Kenai shortly. Colorado Oil & Gas Corporation has completed moving two rigs from Wolf Creek and Grandstand to Gubik on the Arctic Slope. General Petroleum and Great Basins companies are still moving the drill rig from Bear Creek Unit to where they will drill in the Nushagak Basin. Union and Ohio are rigging up to start their Kenai Well #1 on the Kenai.

Standard and Richfield are still drilling ahead directionally at their Swanson River Unit #4. The Halbouty-King No. 1 well, on the southern edge of the Swanson River Unit, has been plugged and abandoned at 12,037 feet.

The State Division of Lands will offer for competitive bid about 3,000,000 acres of offshore lands in Cook Inlet and Wide Bay. If other areas are nominated by interested applicants, maps will be prepared and tracts offered on such nominated areas. Nominations for areas to be offered should be addressed to Phil R. Holdsworth, Commissioner of Natural Resources, Box 1391, Juneau.

v· .

# And the second second

The second secon

# 

AND THE RESERVE OF THE PROPERTY OF THE PROPERT

Selecting at the Selection of the Select and programme of the second se

English Street Commence of the 

Standard Oil Company of California will start offshore seismic work in the Icy Bay area (west of Yakutat) shortly. State and Federal officials will again be present to insure that no damage is done to marine life. The offshore seismic work in Cook Inlet was brought to a successful finish one day ahead of the fishing season.

An estimated 30 field parties will be active this year. Areas of most interest at present seem to be the Yakataga-Katalla area, Copper River Basin, and the Arctic Slope.

#### GOLD

Prognostications that the price of gold will rise are increasing steadily. The public's interest in gold is mounting, and it seems to be the subject of almost countless articles and discussion. Gold stocks are active. One author says the price will go up by 1962 for sure because there will be a change of administration before then. Another says that the rise in gold is inevitable because a financial crisis is approaching that will cause it. A good friend of ours making a special study of the situation wrote to us recently saying he was left ".....with the inescapable conclusion that a price increase cannot be safely deferred for more than a year."

The Administration and the International Monetary Fund are standing pat. A group of Senators and Representatives, including the Alaska delegation, met with Treasury Secretary Anderson on the matter, and heard him oppose it once again. A spokesman for the group quoted Anderson as saying that increasing the price of gold would be equivalent to devaluing the dollar and that any change in the gold price would have serious world repercussions.

## WITHDRAWALS

Secretary Seaton sent his bill (S. 1899) to establish the 9-million-acre Arctic Wildlife Range to Congress last month. In regard to the loss of matching funds we would encounter if this withdrawal is made final, Senator Bartlett had this to say in a letter to Governor Egan, "To put it another way, Alaska taxpayers will have to ante up \$600,000 additionally for a wildlife restoration which has not been requested, to the best of my knowledge, by anyone in Alaska." Governor Egan questioned whether a formal withdrawal was necessary in view of the area's remoteness and inaccessibility, and pointed out that the need for the refuge must be very carefully balanced against the State's fiscal situation because of the matching fund situation.

Editorials have been written about how the game population of this huge area may be wiped out by modern hunting methods if the withdrawal is not made. Wise game law enforcement and management would prevent this. If the area is not withdrawn, its game will be under the management of our State Department of Fish and Game rather than the U.S. Fish and Wildlife Service. The State Department is responsive to the wishes of Alaskans. Its policies are set by a commission appointed from all parts of the State. Most certainly if the residents of Alaska do not want the game decimated, the State agency will take measures to insure its proper management. If the area is withdrawn, it will be controlled by a Federal agency, which, of course, must bedirected from Washington, D. C.

In addition to Governor Egan and this Department, the State Department of Fish and Game is on record as vigorously opposing the proposal. The Alaska Miners Association is also voicing objection. Senator Bartlett is seeking a public hearing in Fairbanks on the matter.

### SMELTER IN B. C.

Consolidated Mining and Smelting Company of Canada will start constructing an iron and steel smelter at Kimberly, B. C., immediately. This will be the first stage in a planned integrated iron and steel operation that will produce pig iron, steel ingots, and rolled steel products. Capacity is planned at 100,000 tons per year. A major source of raw material for the smelting facility will be Cominco's large reserves of iron tailings at the Sullivan Mine. This is a very important step forward for Western Canada. The announcement points out that the iron reserves, the hydro power resources on nearby rivers, and the proximity of coal, coke, and limestone constitute a unique combination of the materials needed for the electrothermic production of iron and steel. We might mention here, as we have many times in the past, that the chief hope of utilizing Alaska's huge titaniferous iron deposits lies in electrothermic smelting and refining.

#### COMPETITION FOR INDUSTRY

The E.& M. J. made a good point when it editorialized recently that the 49 States are not only in a "cold war" among themselves for the nation's industry, but also with other nations, and that the winners in this competition are the ones that will go all out to provide a favorable economic climate. One has only to consider the hundreds of millions of American dollars being spent to develop iron ore deposits in Canada, Latin America, and Africa to realize the truth of the above statement.

A good economic climate is one which permits a business to operate in the best interests of its employees, its customers, its owners, the community, the State, and the nation. Many States are losing the "cold war" because they recognize only two of these beneficiaries: the community and the State.

# P. L. 167 AREA FOR DETERMINATION OF SURFACE RIGHTS

Another area has 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. This is in addition to many earlier areas within the Tongass and Chugach National Forests, all 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. The new area includes all land in the Hope District south of Turnagain Arm and north of Jerome Lake within approximately 5 miles east and west of Quartz, Canyon, and Sixmile Creeks. Publication began in the Anchorage Daily Times on May 27, 1959.

### MISCELLANEOUS

The Alaskan Senators have introduced a bill in Congress to help tin mining. It would provide for the purchase of lode tin at \$1.40 per pound and placer tin at \$1.25, and would set up delivery points to include one at Seattle.

We have had a fair response to our offer to publish a list of names, addresses, and specialties of mining, oil, geological, or geophysical consultants who are available for work in Alaska. The list has not been put together yet, as letters are still coming in, but it will be compiled and distributed this month. We are doing this to let industry know who is available and as a help to consultants. Only those consultants connected with the actual field work of finding or producing commercial minerals are being listed.

The largest bucket line dredges ever built in the U.S. are a pair that are mining tin in Indonesia. They have hulls 246 feet long and are as tall as a 9-story

building from water level to roof top. The bucket ladders are 216 feet long, dig to a depth of 100 feet below water level, and carry 148 14 cu. ft. buckets weighing 4025 pounds each.

The Alaska Petroleum Directory, Box 399, Anchorage, is compiling a new edition.

A new map by the USGS entitled "Glacier features and surficial deposits of the Malaspina district, Alaska" has been published as Miscellaneous Geologic Investigation Map I-271. It can be seen in Alaska offices of the USGS and State Division of Mines and Minerals, and can be purchased over the counter at 204 Denali Building, Anchorage and by mail from the U.S. Geological Survey, 520 Illinois St., Fairbanks.

The State Division of Lands has published Information Circular No. 59-1 "State Policy in Disposal of Occupied Tide and Submerged Lands." It describes what is and what is not occupancy, and lists classes of preference rights resulting from occupancy. It can be obtained from the State Division of Lands at 333 D Street, Anchorage.

An excellent article entitled "The Role of Transportation in the Development of the North" by Mr. N. Gritzuk of United Keno Hill Mines Ltd. is in the April 1959 issue of the Western Miner and Oil Review. It contains costs and ideas that are well worth the attention of anyone interested in mining in the north. We have a second article by Mr. C.D.N. Taylor of the same company which he presented at the 4th Annual Mining, Minerals, and Petroleum Conference at Anchorage last April. Its title is "The Construction and Operation of Mining Camps in Northern Latitudes," and it deals with costs and problems of establishing mining camps in the north. If a sufficient number of our readers request it, we will mimeograph this latter paper and send it to them.

### E. AND M. J. METAL MARKET PRICES

	May 21	Month	Year
	1959	Ago	Ago
Copper, per 1b. Lead, per 1b. Zinc, per 1b. Tin, per 1b. Nickel, per 1b. Platinum, per oz. Quicksilver, per flask Silver, foreign, New York Silver, domestic, per oz. Antimony ore, per unit Chrome ore, per long ton Molybdenum conc., per 1b. Titanium ore, per unit Tungsten ore, per unit	31.6¢ 12¢ 11¢ 102.3¢ 74¢ \$76-80 \$245-247 91.4¢ 90.5¢ \$3.10-3.20 \$40-42 \$1.25 \$23-26 \$20-22	31.6¢ 11.5¢ 11¢ 102.5¢ 74¢ \$75-80 \$242-247 91.4¢ 90.5¢ \$3.10-3.20 \$40-42 \$1.25 \$23-26 \$19-22	24.7¢ 11.5¢ 10¢ 94.5¢ 74¢ \$63-70 \$229-231 89.6¢ 90.5¢ \$3.00-3.10 \$46-48 \$1.18 \$26-30 \$19-20

.

•

.

: . .