

MINES BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - Snow and water put an end to the JOT Mining Company's open pit uranium mining operations for this year. The company definitely plans to resume mining in the Spring.

SECOND DIVISION - Fred Parker and Jack Raymond mined another season on Candle Creek where the Havenstrite company formerly operated.

FOURTH DIVISION - Walt Roman plans to move his placer operation from near the Miller House in the Circle District to upper Portage Creek where he has leased ground formerly mined by old timer Hank Martin. Hank came "out" to Fairbanks this fall for the first time since about 1942.

Old timer Fred Wackowitz mined cranberries this summer instead of his other prospects and cornered the Fairbanks market in the recent cranberry excitement.

Carl Parker has been mining on Eva Creek on ground leased from the USSR&M Co. The company stripped the ground, but did not dredge it because of the steep grade.

OIL NEWS

A map of the buffer zone between Pet 4 and the Gubik gas field showing the sections listed for competitive bidding is now on sale at the Fairbanks Land Office for \$1.00. The date of the competitive bidding has not yet been announced. In bidding for the earlier-offered portions of the Gubik field, bidding on the various parcels was from a low of \$3.11 per acre to a high of \$103. Colorado Oil and Gas controls most of the existing Gubik leases and has 2 drill rigs there ready to go.

Competitive bids will be opened on December 10 for 37 state offshore lease parcels. Maps showing the parcels may be obtained for \$1.00 per print. For further information, contact the State Division of Lands, 333 "D" Street, Anchorage.

Drilling News: General Petroleum has abandoned its second well as dry in the vicinity of Becharof Lake. It is reported that the rig is now being moved to Jute Bay. G.P.'s plans for the future are not known. The Standard-Richfield SRU No. 12-27 is being tested at 11,500, and SRU No. 32-22 is down past 7,200. This latter well is being watched with particular interest. Because of its location with regard to existing producers, it is almost certain to be another producer. Union-Ohio KU No. 34-31 is finished at 5,809 feet and reported an "unconfirmed gas well". Nulato Unit No. 1 in the Koyukuk Basin should be spudded in any day now.

DM&M NEWS

Mr. Donald Bruce has been appointed Petroleum Geologist in the Division of Mines and Minerals. He and Richard Murphy, Petroleum Engineer, comprise the Oil and Gas Section of the Division, and no further personnel increases in that section are anticipated in the near future. Bruce and Murphy will work together in enforcing oil and

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. This section also touches upon the legal implications of failing to maintain such records, which can lead to severe penalties and legal consequences.

2. The second part of the document focuses on the role of technology in modern record-keeping. It highlights how digital tools and software solutions have revolutionized the way data is stored, accessed, and managed. This section discusses the benefits of cloud storage, data encryption, and automated backup systems, which help ensure the security and integrity of records over time.

3. The third part of the document addresses the challenges associated with data management and retention. It explores the complexities of handling large volumes of data, the need for clear retention policies, and the importance of regularly reviewing and updating these policies. This section also discusses the risks of data loss and the measures that can be taken to mitigate these risks, such as implementing disaster recovery plans and conducting regular data audits.

4. The fourth part of the document provides practical advice and best practices for effective record-keeping. It offers guidance on how to organize records, how to ensure data accuracy, and how to maintain compliance with relevant regulations and standards. This section also includes tips on how to train staff and foster a culture of data integrity within an organization.

5. The final part of the document concludes by summarizing the key points discussed throughout the text. It reiterates the importance of maintaining accurate records and the role of technology in this process. The document ends with a call to action, encouraging readers to take the necessary steps to improve their record-keeping practices and ensure the long-term success and sustainability of their organization.

gas conservation regulations, compiling geological, drilling and production records, and assisting the Division of Lands in determining what lands are prospectively valuable for oil and gas and what lands should be leased competitively or noncompetitively.

The whole Division is now at full strength except for the shortage of a mining engineer for the First Division, which shortage cannot be alleviated before the next fiscal year.

NEW STATE COAL REGULATIONS

The preliminary draft of the proposed State regulations for leasing of State coal lands has been completed. It will soon be available for distribution to those requesting it. A public hearing will be held in early January, according to present plans, to enable the industry and interested persons to offer suggestions and criticisms. Taking the results of the hearing into consideration, the regulations will then be made final.

The proposed coal code provides for issuing prospecting permits, leasing of low deposits, fixing of royalties and rentals and requiring competitive bidding for coal leasing when it seems in the best public interest. The regulations are designed to encourage Alaskan coal development as much as possible while remaining consistent with proper conservation practices. Persons wishing copies of the proposed regulations should contact the Division of Lands at 333 "D" Street, Anchorage, or the Juneau DM&M office.

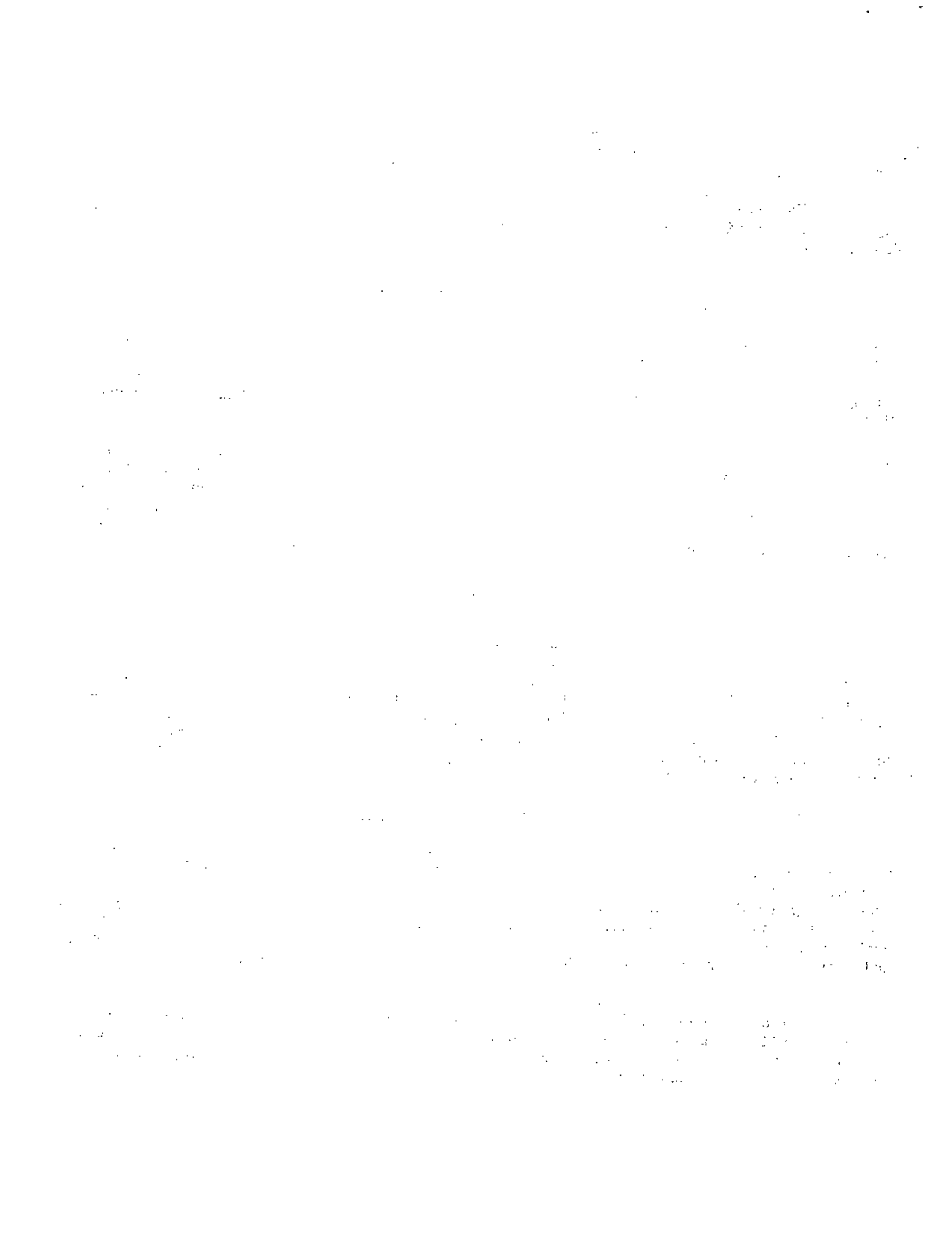
P. L. 167 AREA FOR DETERMINATION OF SURFACE RIGHTS

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 Hyder Area includes in general all lands west of the Canadian boundary, south of an east-west line through Texas Glacier, and east of a line from Texas Lake to Seal Rocks. Publication starts on December 9, 1959 in the Ketchikan Daily News.

USE OF COAL IN THE NATION'S CAPITAL

Coal miners who don't know it already will be interested to learn the extent to which coal is burned in Washington, D.C. In a report by Senator Cooper to the Senate, he stated that the Federal government is saving nearly half a million dollars annually by heating the White House, the Capitol, and other nearby Federal buildings with coal. He pointed out that there is nothing old fashioned about coal, and that modern coal equipment and engineering dispose of combustion products which lead to air pollution and provide a convenient, efficient, and economical fueling operation.

Another note on the use of coal is that a bituminous coal binder was used in paving material recently laid on a mile of test highway in Kentucky. Curtiss-Wright officials believe the test strip will require less maintenance than materials now used, that its surface is less slippery, and that the strip is not subject to damage from extreme changes in temperature.



HISTORY AND STATUS OF PROPERTY TAX

The first and only general property tax Act in Alaska was passed in 1949 and repealed in 1953. The Act was promptly challenged by certain mining interests as being unconstitutional because it was inequitable and discriminatory. After extensive litigation, the Act was upheld as being constitutional. During these litigations, more than 8,689 taxpayers became delinquent in excess of \$1,290,000, while 11,504 taxpayers voluntarily paid their taxes in excess of a total of \$400,000. In 1955, Alaska filed complaints against eight fish packing concerns seeking to collect \$175,000 owed by them for the years the tax was in effect. The main question was whether the tax liability against the delinquents survived or was ended by the repeal of the tax in 1953. In 1956 the District Court decided in favor of the canning companies, and upon Alaska's appeal to the Ninth Circuit Court of Appeals, the case was again decided in favor of the companies in 1957. A further and last appeal to the U.S. Supreme Court finally resulted in a decision for the State in 1959. The Supreme Court held that the tax is collectable, and sent certain questions back to the Circuit Court for answer. The Circuit Court then held that there is a personal liability for all taxes on personal property, and that the State can foreclose for real property taxes on all real property which was taxable during the effective period, 1949-1953.

The tax set by the Act was one percent of the full and true value of all real property and improvements and personal property in Alaska. For the purposes of the Act, the assessed value of unimproved, unpatented mining claims which were not producing, and nonproducing patented mining claims upon which improvements had become useless, was set at \$500 per each claim.

The State Department of Revenue is making preparations to fully collect the tax. It intends to contact every person who held property during the effective period, and it feels that it is only a matter of time until all the contacts are made. The State Department of Law (Attorney General and assistants) will foreclose to the fullest extent possible to collect the taxes owing if other collection procedures fail. The Department of Law claims that mining claims are subject to foreclosure, and that personal property (machinery, equipment, etc.) that was on a mining claim during the taxable period subjects the owner to a personal liability. The Department of Revenue suggests that if anyone wishes to get cleared up now on the matter, rather than wait, they should write to the Department at the Alaska Office Building, Juneau.

There is strong feeling in some quarters that a new general property tax will be enacted by the State Legislature next Spring.

HOW FAR SHOULD GOVERNMENT GO?

The following three accounts of disputes (or the results of same) between the minerals industry and government will be of interest to all who are interested in the question of just how much government regulation and control are desirable and/or necessary over the various phases of the industry. The first item is quoted from the E&MJ and refers to the State of Minnesota, where ore is taxed while still in the ground. The last two are taken from the AMC Bulletin.

"The Iron Range Resources and Rehabilitation Commission, moved a drill onto Oliver Iron Mining Division property near Eveleth, and prepared to drill. President R. T. Elstad of the Oliver reported that the Commission had moved in the drill "without even the courtesy of prior notification" and had cut down trees and cut a half mile long roadway to get the drill in. He said this was "trespass" and challenged the use of I.R.R. funds for test drilling. Oliver ordered the drill moved away. Gov. Freeman has directed Attorney General Miles Lord, to



begin an action at once to obtain court authority for drill tests on private property to determine whether or not the particular land concerned is properly classified for taxes. Information presently available to the state comes from such drill tests as the owner may conduct."

"COURT DECISION--NATURAL GAS: The Federal Power Commission has no "general allocation and conservation authority over the natural gas fields of the United States," the Third Circuit Court of Appeals has ruled in reversing the FPC's refusal to give a pipeline a certificate for the delivery of gas for use in producing electric power.

"In refusing to authorize the delivery of gas to the power plant's boilers, the FPC had based its action upon determinations that there are "more urgent and widely beneficial public needs" for the gas, and that competition from large-volume purchases such as electric power utilities would adversely affect prices and pipeline operations. But the Court of Appeals held that the Natural Gas Act does not give the Commission power to deny a certificate merely because it disapproves of the use to be made of the gas.

"The application turned down by the Commission was filed by the Transcontinental Gas Pipe Line Corp., which sought a certificate authorizing it to transport natural gas from Texas to the Waterside Plant, New York City, of Consolidated Edison Co. The electric utility had already contracted with natural gas producers in Texas to buy their output of natural gas and then later made an agreement with Transcontinental for the transportation of the gas. It was agreed that Consolidated Edison would not sell the gas at retail in New York but would use it solely for the purpose of firing two of the 10 boilers at its Waterside plant, now fired with coal.

"Also criticized by the appellate court was the Commission's attitude that Consolidated Edison's use of the natural gas is an "inferior" use. "It is true that the gas, under the agreement, was not to be sold and it was established that it was to be used to fire boilers. But these boilers, according to the evidence, generate power for electricity and make steam for heating. We do not see that using gas to make steam to heat an apartment house is inferior to the use of gas to heat a single family residence whether by steam, hot water or whatnot," the court said."

"MINERS ASSURED FREE ACCESS RIGHTS: Congress intended to give miners free access to minerals in the public domain and the Bureau of Land Management has no authority to levy a fee for rights-of-way necessary to provide ingress and egress to or from their entries or claims, according to a ruling by the Solicitor of the Department of the Interior.

"The ruling was issued after representatives of an Oregon mining claimant protested an attempt by the Oregon BLM office to levy a charge for the use of a road the company had constructed in the 1890's across Government land and maintained and used by it since that time.

"Executive action along the line proposed could be used to completely destroy the rights granted by Congress under the mining laws," the Solicitor wrote. "The grant of the minerals with all incidents thereunto pertaining is direct from Congress to the miner. The Act contains no language that could be construed to authorize a Federal agency to make a charge in such a case."

"Charges for rights-of-way can be made only in instances where Congress has authorized the Secretary of Interior to grant exclusive use of roads to mining claimants, the ruling continued.

"Roads constructed across the public domain by mining claimants are in the nature of "private roads" across another's land, the ruling continued. "The United States can no doubt use such a road or permit its permittees or licensees to do so at least to the extent that it does not unduly interfere with its use for the legitimate purpose for which it was built."

NEW REPORT

An open-file report by the USGS entitled "Preliminary interpretation of total-intensity aeromagnetic profiles of the Koyukuk area, Alaska" is available for study in the Anchorage DM&M office as well as the USGS offices. Profiles and text are both included with the report. It was released on Nov. 12.

MISSING PERSON

Miss Marion E. Sawyer of 235 Seaton Road, Stamford, Conn. wishes to hear from anyone who might remember something of her uncle, Mr. George A. Dinsmore. One of his earlier addresses was Fortuna Ledge, and was last supposed to be in or near Tanana in the early 1930's.

E. AND M. J. METAL MARKET PRICES

	<u>Nov. 26,</u> <u>1959</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	34.3¢	33.3¢	29.1¢
Lead, per lb.	13¢	13¢	13¢
Zinc, per lb.	12.5¢	12.5¢	11.5¢
Tin, per lb.	100.5¢	101.6¢	99.5¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	\$77-80	\$77-80	\$53-60
Quicksilver, per flask	\$215-217	\$222-225	\$228-231
Silver, foreign, New York	91.4¢	91.4¢	90.1¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	\$3.10-3.20	\$3.10-3.20	\$3.10-3.20
Chrome ore, per long ton	\$34-35	\$35-36	\$42-44
Molybdenum conc., per lb.	\$1.25	\$1.25	\$1.25
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$22-24	\$22-24	\$19-22

THE BEST WISHES OF THE ENTIRE DM&M STAFF GO TO

ALL OUR READERS FOR THE APPROACHING HOLIDAY SEASON.