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GEOLOGICAL SURVEY

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Southeastern District - Newmont Mining Company is continuing its development drilling and mapping on the nickel lode under Brady Glacier.

The Chicago-Alaska Company of Chicago has applied for an OME loan to develop the Baker Peak copper prospect of John Brockway on Chichagof Island.

Bay West Mining Company is mining uranium at Kendrick Bay. They are drifting on ore at a lower level toward the open pit previously mined.

Northwestern District - Shell Oil Company is mapping and making preliminary investigations of their offshore prospecting permit in the Nome area. It is understood that they intend to do the actual prospecting next year.

Several individuals are in the area formulating plans to prospect and develop their leases.

Bear Creek Mining Company is active at its beryllium prospect staked this spring near Tin City.

Southwestern District - It is reported that Chugach Electric Association, Inc. is interested in obtaining electrical energy from the Beluga coal fields. The Columbia Iron Mining Company and the Utah Development Company control large areas of the field but apparently are not interested in supplying this market. There are, however, several individual coal lease owners in the field that should be able to supply the demand.

OIL NEWS

During the month of June, 1962, the Petroleum Branch of the Division approved five applications to drill: Malaspina Unit 1-A, 1027'S and 330'W from the NE corner of Sec. 31, T24S, R32E, Copper River Meridian, el. 21' grd., Colorado Oil and Gas Corp., Opr.; Ninilchik-State 1, 200'N and 1350'W of the SE corner of Sec. 6, T1S, R13W, Seward Meridian, el. 125' grd., Union Oil Co. of Cal., Opr.; Chuit-State 2, 1950'N and 1550'W of the SE corner of Sec. 7, T12N, R12W, Seward Meridian, el. 375' grd., Superior Oil Co. Opr.; Sterling Unit 43-28, 3000'S and 800'W of the NE corner of Sec. 28, T6N, R9W, Seward Meridian, el. 360' grd., Union Oil Co. of Cal., Opr.; South Diamond Gulch Unit 1, 502'S and 1002'W of the NE corner of Sec. 6, T6S, R14W, Seward Meridian, el. 375' grd., Occidental Petroleum Corp., Opr.

Total applications approved this year to date number twenty-six, compared with twenty-six for the same period in 1961.

Drilling Activity

<u>Operator</u>	<u>Well Name & No.</u>	<u>Status 6-27-62</u>
Richfield Oil Corp.	White River Unit 2	Drlg @ 5527'
Pan American	Middle Ground Shoal-State 1	Susp. (tight hole)
Pan American	Tyonek State 1	Drlg (tight hole)
Pan American	Cook Inlet-State 1	Drlg (tight hole)

Colorado Oil and Gas	Malaspina Unit 1	TD 1802' csg parted, P&A
Colorado Oil and Gas	Malaspina Unit 1A	Drlg (no report)
British American	Bell Island 1	TD 11364', P&A
Shell Oil Company	SRS-State 1	Drlg (tight hole)
SOCAL	Riou Bay Unit 1	Drlg 12568'
SOCAL	Beluga River 1	Drlg @ 8000'
SOCAL	Anchor Point Unit 1	Drlg @ 5000'
SOCAL	SCU 22-32	Drlg @ 12303'
SOCAL	SRU 14-33	TD 11125', POW
Superior Oil Co.	Chuit-State 2	Drlg (tight hole)
Union Oil Co. of Cal.	Sterling Unit 43-28	Drlg @ 1000'

Production, Swanson River Field, Hemlock Zone

	<u>Producing Wells</u>	<u>Oil (barrels)</u>	<u>Water (barrels)</u>	<u>Gas (MCF)</u>
May, 1962	49	877,642	26,147	163,194
Cumulative to June 1, 1962		11,244,454	306,818	2,143,822

Production, Kenai Gas Field

May, 1962	1	0	0	87,010
Cumulative to June 1, 1962		0	0	740,521

Production, Sterling Gas Field (first production)

May, 1962	1	0	0	144
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Hearings - An emergency order was issued by the DM&M on June 8, 1962, at the petition of the Pan American Petroleum Co. for an exception to Section 2061.1 of the Alaska Oil and Gas Conservation Regulations. The operator requested permission to locate an exploratory well, Cook Inlet-State 1, within 500 feet of a governmental quarter section line in Section 6, T11N, R9W, Seward Meridian. After due public notice, a hearing was held on June 20, 1962, and at that time evidence supporting the operator's request was presented. Order No. 11 was issued on June 21, 1962, wherein the operator was permitted to locate the exploratory well, Cook Inlet-State 1, 1704.2 feet north and 393.5 feet east of the southwest corner of projected Section 6, T11N, R9W, Seward Meridian.

Order No. 10 was issued on May 31, 1962, permitting an exception to Section 2061.1 of the Alaska Oil and Gas Conservation Regulations for the drilling of Pan American's Middle Ground Shoal-State 1. The well is located 336.1 feet north and 1867.3 feet east of the southwest corner of projected Section 19, T9N, R12W, Seward Meridian.

SOCAL Refinery Ground Breaking Ceremonies - Governor William A. Egan delivered a keynote address at the ground breaking ceremonies at SOCAL's new refinery site north of Kenai on June 19, 1962. Also speaking to the crowd of several hundred people were Mr. Howard Vesper, President, Standard Oil Co. of California, Western Operations, Inc., and Mr. D. D. Drowley, Manager of the refinery scheduled for completion in 1963.

Release of Records - Pursuant to Section 2008.1 of the Alaska Oil and Gas Conservation Regulation, the well records for the following wells will be released: Soldotna Creek Unit 32-4, Standard Oil Co. of Cal., Opr., July 5, 1962; Kaliakh River Unit 1, Richfield Oil Corp., Opr., July 7, 1962; Swanson River Unit 14-27, Standard Oil Co. of Cal., Opr., July 14, 1962.

GOLD NEWS

The latest hearing of S. J. Res. 44, Incentive Payments to Domestic Gold Producers, was held June 8 by the Subcommittee on Minerals, Materials and Fuels of the Senate Interior and Insular Affairs Committee. Robert V. Roosa, Undersecretary of the Treasury for Monetary Affairs, reiterated his Department's opposition to the resolution. The usual reasons for urging gold subsidies in other countries or for urging the subsidies to other industries in this country are not applicable to gold in the United States, he maintained. He said that any form of subsidy to American gold production would impair the monetary system of the entire Free World.

The senators criticized the Treasury Department for having a wholly negative attitude about the plight of this industry and of the steady depletion of the nation's gold reserves. Senator Church in conclusion said that it was clear from the attitude of Treasury officials that in order to secure action the Congress would have to go "over, under, through or around the Treasury Department." This followed a statement by Secretary Roosa that if the Congress acted favorably on S. J. Res. 44 he would request President Kennedy to veto it.

Senator Carroll, who presided at the hearing, requested that within 30 days the Treasury Department provide some solution to make possible the continued mining of gold in the United States.

Senate Bill 3385, to Prohibit Government Sale of Gold for Commercial Use, was introduced by Senator Allot of Colorado of the Committee on Banking and Currency. The bill would provide that "all gold held or bought by the U. S. Treasury, or mints, or assay offices, or by the Federal Reserve Banks, shall be construed to be monetary gold. Such gold shall not hereafter be sold for commercial use or for the arts, and no gold shall hereafter be sold by the Treasury, or by the Federal Reserve banks, or for the account of the Treasury or of such banks, directly or indirectly, in the United States, its territories or possessions, for the purpose of depressing the market in gold or lessening the price and value of gold."

COAL CONTRACTS ANNOUNCED

Coal contracts for military consumption in the Anchorage and Fairbanks areas were announced by the Navy in a recent press release as follows:

Usibelli	359,120 tons
Evan Jones	160,000 tons
Mrak	60,000 tons
Total	579,120 tons

DM&M PERSONNEL NEWS

Mr. Richard V. Murphy, DM&M Petroleum Engineer, has submitted his resignation effective July 20. Dick has served the State in the above capacity since June of 1959, arriving from Louisiana at the time this Division was being changed over from the old Territorial Department of Mines. He was the first technical petroleum man to be hired by the State, and has made valuable contributions to the State's working arrangements with the industry. His immediate plans are to return to Louisiana for a vacation.

There are presently openings for two Mining Geologists in the Division. Very briefly, the work will consist of independent field and office studies of ore deposits and ore districts, and preparation of reports for publication. We are looking for men with training and experience in economic geology and with the aptitude for working under remote and difficult field conditions.

Persons interested in applying for the above positions may obtain details from James A. Williams, Director, Division of Mines and Minerals, Box 1391, Juneau, Alaska

NEW OPEN FILE RELEASES BY THE USGS

The following open file releases are on file at the U.S. Geological Survey offices and the DM&M office at Juneau:

TEI-810 - Potential Effects of Project Chariot on Local Water Supplies, by A. M. Piper.

Geologic Map of the Chandalar Quadrangle, Alaska, by W. P. Brosge and H. N. Reiser.

Preliminary Map of Geology of Part of the Lower Yukon-Norton Sound Region, Alaska, by J. M. Hoare and W. H. Condon.

Iron and Copper Deposits of Kasaan Peninsula, Prince of Wales Island, Southeastern Alaska, Bull. 1090, by L. A. Warner, E. N. Goodard, and others.

RIGID FOAM FOR USE IN MINES DEVELOPED BY USBM

A late news release from the Department of Interior announced that a rigid foam material, produced by a mixture of two commercially available chemical liquids that expand within a few seconds to 30 times their original volume, has been developed by the Bureau of Mines for a wide variety of uses in underground mines.

Tests of the rigid foam for binding structurally-weakened roofs and ribs, for sealing stoppings, for inhibiting deterioration of mine surfaces due to moisture, and for insulating against heat transfer are now being conducted by the Bureau in its Experimental Coal Mine at Bruceston, Pa., and in three copper and two coal mines.

The newly developed material, a urethane foam, is not flammable and is self-extinguishing, and will not irritate normal skin. It forms a virtually airtight moisture-proof seal. It does not shrink and is unaffected by vermin or mildew. The foam expands within seconds, hardens within minutes, and can be formed by spraying a mixture of two liquids.

When the studies are completed and standards are developed for the use of the rigid foam underground, the Bureau will publish its finding and advise the mining industry on safe and effective practices.

ACCESS ROADS

The Division of Lands is now accepting bids for construction of two and nine-tenths (2.9) miles of access road in the Cheri Lake Subdivision, in Section 36, T18N, R3W, SM. Bids will be accepted until 2:00 P.M., July 13, 1962, at which time all bids will be publicly opened and read at the Division office, 344 Sixth Avenue, Anchorage.

Specifications and contract documents are available free of charge upon request. This is one of the access roads to be constructed under the provisions of Chapter 122, SLA 1961. The Pioneering Access Road Program for Fiscal Year 1963 will be concentrated on several long-standing applications for natural resource roads, and the upgrading of "weak spots" which have developed on previous projects through the past winter. Included on the list of projects scheduled for assistance are the following: (1) Mentasta Lake to Slate Creek district; (2) Denali Highway to Valdez Creek district; (3) Teller-Mission to Lost River district; (4) Chandalar Lake to Big Creek district.

LATEST DEVELOPMENTS ON PATENTED CLAIMS

From the American Mining Congress BULLETIN SERVICE is a report that in a report to Congress dated May 29, the Comptroller General of the United States has suggested legislation which would reserve to the U. S. title to nonmineral surface resources when patents to mining claims located in national forests are issued.

The report followed a General Accounting Office review of Forest Service activities pertaining to mining claims which, the agency said, disclosed that (1) effective administration of the national forests is being hindered because certain patented and unpatented mining claims are preventing access to Forest Service timber and other resources, (2) in many instances owners of patented claims have apparently done little or no mining after obtaining patents to claims but have sold timber from the claims for amounts far in excess of the prices paid the Government for the patented lands, and (3) many unpatented mining claims are apparently being used for purposes not related to mining.

Comptroller General Campbell reported that "permanent residences, summer homes, town-sites, orchards, commercial enterprises, farming, and a house of ill repute are examples of uses made of some unpatented claim sites." Such use, he stated, is not in accord with court decisions relating to the intent of the mining laws or with the multiple surface use law (Public Law 84-167) passed in 1955.

"We are recommending," Campbell told Congress, "that the Chief, Forest Service, institute, as soon as practicable, a program for determining the legal status of doubtful occupancies of unpatented mining claims and take timely trespass or other appropriate action to resolve the problems arising from unauthorized uses of unpatented mining claims.

"In our opinion, legislation of the nature proposed in our report for consideration of the Congress and the action recommended to the Chief, Forest Service, would not adversely affect prospecting, mining, and processing operations of those who are genuinely interested in mining."

Senator John J. Williams, (Rep., Del) called attention to the report on the Senate floor and introduced a bill (S. 3379) to provide that all patents issued under the mining laws after July 1, 1962, affecting lands within national forests, should convey title to the mineral deposits only, reserving all title in or to the surface and products thereof to the United States.

Meanwhile, on the other side of the Capitol, the House Interior Subcommittee on Public Lands ordered favorably reported to the full Committee a bill (H.R. 10773) to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed.

E. AND M. J. METAL MARKET PRICES

	<u>June 28,</u> <u>1962</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	31¢	31¢	31¢
Lead, per lb.	9.5¢	9.5¢	11.0¢
Zinc, per lb.	11.5¢	12¢	11.5¢
Tin, per lb.	112.3¢	116.0¢	119¢
Nickel, per lb.	79¢	79¢	74¢
Platinum, per oz.	\$80-85	\$80-85	\$80-85
Mercury, per flask	\$192-195	\$192-195	\$200-203
Antimony ore, per unit	\$4.50-4.75	\$4.50-4.75	\$4.30-4.50
Beryllium ore, per unit	\$46-48	\$46-48	\$46-48
Chrome ore, per long ton	\$36-38	\$36-38	\$36-38
Molybdenum conc., per lb.	\$1.40	\$1.40	\$1.40
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$20-22	\$20-22	\$22-24
Silver, foreign, per oz.	103.6¢	101.5¢	91.4¢
Silver, Domestic, per oz.	90.5¢	90.5¢	90.5¢

