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GEOLOGICAL SURVEY

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PROSPECTOR ASSISTANCE PROGRAM (PAP)

Public hearings were held May 20 and 21 in Fairbanks and Anchorage on proposed PAP regulations as authorized and directed by the bill calling for a new program passed by the last State Legislature. The regulations have been redrafted to some extent as a result of written and verbal testimony received, and are now in final form. Application forms have also been drafted and are now available from the Juneau office of the Division.

Basically, the program is one of financial assistance by reimbursement for up to 75% of expenses incurred for certain items and transportation by qualified prospectors on approved prospecting ventures. The reimbursement will be made only after the prospecting is finished and reports and maps are submitted. The prospector, his proposal, and his proposed expenditures must be approved before he starts out. He receives his financial assistance after the work is done.

The law and regulations require that a screening board review a person's application and qualifications, and make recommendations on same to the Department of Natural Resources, which will then direct the Division of Mines and Minerals as to action to be taken. To be eligible for assistance under this program, an applicant must have the following qualifications:

- (a) Practical prospecting experience or equivalent training.
- (b) Elementary knowledge of geology, mineralogy, and ore deposits.
- (c) Ability to recognize the more common ores and minerals by sight or identify them by simple tests applied in the field.
- (d) Knowledge of mining law sufficient to know what is required for proper claim staking, assessment work, recording, etc.
- (e) Ability to live in the bush without any difficulty that would unduly interfere with efficient prospecting.

A copy of the regulations and information may be obtained from any of the Division offices in Nome, Fairbanks, Anchorage, or Ketchikan. Application forms may be obtained immediately by mail from the Division of Mines and Minerals, Box 1391, Juneau, Alaska. All persons who wish to apply, and have not yet received an application form, are urged to write to the Juneau office or have our local office forward their name and address.

OFFSHORE PROSPECTING PERMIT INFORMATION

The first two of the 187 offshore prospecting permits now in good standing will expire on September 30, 1963 unless they are qualified for extension for an additional two years under the requirements of the regulations. Expiration dates on the remainder of the permits start falling thick and fast early next year. Permit holders have all received information as to what will be generally required to qualify for an extension.

Areas covered by permits that terminate will be available for simultaneous filing for 60 days after the expiration date so that everyone interested will have equal opportunity to apply. Conflicting applications will be decided by public drawings. Terminated offshore prospecting permits will be advertised in this Bulletin and the monthly Land Lines of the Division of Lands. Persons interested in acquiring any of the offshore areas presently covered by permits should watch these two publications for notice of the terminations.

CHARLES F. HERBERT APPOINTED DEPUTY COMMISSIONER OF NATURAL RESOURCES

The appointment of Charles F. "Chuck" Herbert as Deputy Commissioner of Natural Resources was recently announced by Commissioner Phil R. Holdsworth. The location of the Deputy Commissioner's office is in Juneau. Mr. Herbert arrived in Alaska in 1928, and for the next few years was employed by several mining companies. In 1934, he received a Bachelor of Science degree in mining engineering from the University of Alaska. After graduation, he worked for lode and placer gold mining operations throughout Alaska and the Yukon Territory. A veteran of World War II, he served in the South Pacific with the U. S. Navy Civil Engineering Corps. Since 1956, Mr. Herbert has operated out of Anchorage as a consulting mining engineer in Alaska, Canada, Central and South America. In 1961, he was appointed Chairman of the Alaska Public Service Commission.

INDEX TO UNITED STATES SPECIAL SURVEYS AND MINERAL SURVEYS

An index to Special Surveys and Mineral Surveys, consisting of two volumes, has been completed by the Division of Lands with the cooperation of the Bureau of Land Management. These sell for \$10 a volume, and may be obtained from the Division of Lands, 344 Sixth Avenue, Anchorage.

The index shows the survey number, approximate latitude and longitude, township, range, meridian, protraction sheet number, district sheet number, plat on microfilm roll number, field notes volume number, field notes microfilm roll number. The column headed "remarks", in many cases tells if the survey was cancelled, disapproved, never surveyed, etc. The index also indicates which surveys are actually patented.

BILL TO PERMIT LONGER TERM COAL CONTRACTS

Senator Gruening has informed the Department that Senate Bill 572, has been reported favorably to the Senate from the Government Operations Committee. This bill would permit coal and oil producers to bid on ten-year contracts in place of the yearly contract. This will allow them to compete with the gas industry on an equal contract term basis and allow longer range planning than has heretofore been possible.

NEW PUBLICATIONS

U. S. Geological Survey Bulletin 1121-K, "Geology of the Eastern Part of the Mount Fairweather Quadrangle Glacier Bay, Alaska." On sale by the Superintendent of Documents, Washington, D. C. Available for reading at the various offices of the DM&M, Geological Survey offices and libraries.

U. S. Bureau of Mines, "Examination of Coal Deposits, Sitkinak Island, Alaska," Open File Report. Several coal outcrops were examined and samples taken from one thin-bedded deposit. Copies of the report can be consulted at the following locations:

Bureau of Mines Field Office, Anchorage
Office of Mineral Resources, Bureau of Mines, Region 1,
Juneau, Alaska
DM&M Office, 329 Second Avenue, Anchorage, Alaska

U. S. Geological Survey Bulletin 1152, "Analytical Methods Used in Geochemical Exploration by the U. S. Geological Survey." The book describes chemical procedures which prospectors with little technical training may use. Bulletin 1152 sells for \$.45. It is available from the Superintendent of Documents, Government Printing Office, Washington 25, D. C. This bulletin will also soon be available for reading at the various DM&M offices.

Alaskans can order bulletins from the U. S. Geological Survey, Public Inquiries Office, Cordova Building, Anchorage, Alaska.

OIL AND TAXES

The Western Oil and Gas Association reports "That the oil and gas industry generated tax revenues for federal, state and local governments in excess of \$7.5 billion in 1960, the latest year for which figures are available. This is more than 40 percent more total revenue than that generated for the same levels of government by any other industry. Petroleum alone generates 6.7 per cent of all taxes collected in the United States.

SUBCOMMITTEE ON MINERALS, MATERIALS AND FUELS HEARING

Hearings on the status of mining were held in Washington, D. C. on May 9 and 10 by the Senate Subcommittee on Minerals, Materials and Fuels, Senator Gruening presiding. Testimony received brought forth interesting and constructive information.

Dr. James Boyd, President of Copper Range Company, testified in behalf of the American Mining Congress. He stated that the major problems confronting the mineral industry are those of "overabundance of productive capacity but not in overabundance of ore reserves" and that "If our industries are to remain competitive and the free world to gain strength through making available the cheapest raw materials, restrictions on the flow of U. S. materials to foreign nations must be removed."

S. H. Williston, Executive Vice-President of Cordero Mining Company, voiced concern over marketing practices of the Soviet bloc which tend to depress mineral prices to the point where the free world producers are compelled to cease operations thus leading to complete control by the Soviet bloc. Dr. Thomas B. Nolan, Director of the U. S. Geological Survey, testified on the progress of the Geological Survey's program of geologic mapping. He stated that only about 18 per cent of the conterminous United States has now been mapped at a scale of one mile to the inch. He stated, "Mapping in Alaska is still almost wholly in the reconnaissance stage and we are aiming there for first coverage at a scale of four miles to the inch; even at that scale, we are far from our goal, for such maps are available for only about 15 per cent of the state."

As a result of these hearings, Senator Gruening, on May 14 asked the Treasury Department to assist in drafting legislation to allow the full deductibility of exploration expenditures in computing taxable income. The proposed legislation would remove the present limitation of \$400,000 on exploration deductions. Gruening stated in his letter to Treasury Secretary Dillon that "expenditures for mineral exploration should be regarded as other research costs, and thus fully deductible from income tax returns."

OIL NEWS

Two permits to drill were issued since the last report: (1) Standard Oil Company of California, Soldotna Creek Unit 21-16; 1980' FWL, 660' FNL, Section 16, T7N, R9W, S.M.; (2) Union Oil Company of California, Kenai Unit 43-9; 2300' FSL, 550 FEL, Section 9, T5N, R10W, S.M.

The SCU 21-16 is a south extension to the Soldotna Creek Unit and the Kenai Unit well is a northwest offset to the Sterling Unit gas well.

Drilling Activity:

<u>Operator</u>	<u>Well Number</u>	<u>Status 5/29/63</u>
Richfield	Wide Bay Unit	Drilling
Pan American	Cook Inlet #1	Burning
Pan American	Middle Ground Shoal #2	Drilling
Pan American	Cook Inlet #1A	
Pan American	Moose Creek #1	Drilling
Shell	Middle Ground Shoal #1	Rigging up
British Petroleum	WRU #3	Drilling
SoCal	SRU 21-16	Drilling

Completions:

SoCal	SRU 34-28	Producing oil well
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Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil-Barrels</u>	<u>Gas (MCF)</u>
April 1963	48	862,546	206,140
Cumulative to May 1, 1963		20,879,136	4,109,289

Production, Kenai Gas Field

	<u>Producing Wells</u>	<u>Gas (MCF)</u>
April 1963	3	316,364
Cumulative to May 1, 1963		2,988,145

Production, Sterling Gas Field:

April 1963	1	3,688
Cumulative to May 1, 1963		40,060

Production, Swanson River Gas Field, Kenai Zone:

April 1963	4	334,421
Cumulative to May 1, 1963		1,316,336

Gas Injection, Swanson River Field, Hemlock Zone:

April 1963	3	462,465
Cumulative to May 1, 1963		1,888,928

Public Hearings:

On May 22 a public hearing was held on Pan American Petroleum's application for spacing a well at Middle Ground Shoal closer than 500' from a governmental quarter section boundary.

On June 4 a public hearing will be held at Anchorage by the Department of Natural Resources on regulations affecting the certification of discovery wells in connection with incentive royalty provisions.

Tenth Competitive Oil and Gas Lease Sale:

A total of 141,549 acres was bid for total bonuses of \$4,137,027, or an average of \$29.33 per acre.

Samples and Cores:

The following list shows samples and cores stored in Anchorage and the date that the two-year confidential period expires after which they will be available for public examination.

In fairness to Alaska based companies, materials in the State Sample Storage may not be sent out of State. A sample examination room is projected for the new addition to the Division of Mines & Minerals building in Anchorage, construction of which will start this summer.

SAMPLE & CORE INVENTORY

Well Samples & Cores in Sample Storage at Anchorage, Alaska

B - Bagged Sample
E - Sample in Envelope

Permit No.	Operator	Well & Number	Interval	Condition	Core	Public Release Date
	Phillips Pet. Co.	Sullivan Unit #1	200-10013	E		6-15-60
	Phillips Pet. Co.	Sullivan Unit #2	5600-12000	E		6-15-60
	Anch. G&O Dev. Co.	Rosetta #3	120-6060	E		6-15-60
	Colo. O&G Corp.	Yakutat #3	1220-10820	E		5-23-61
	Humble Oil & Refin.	Bear Creek #1	0-14375	E		4-4-61
2	Halbouty Ala. Oil	Halbouty-King #1	60-11800	E	Yes	6-13-61
3	Union Oil Co. of Cal.	Kenai Unit 14-6(1)	4180-15054	E		10-14-61
4	Gen. Pet. Corp.	Great Basins Unit #1	0-11080	E		10-14-61
7	Richfield Oil	Kaliakh Riv. Unit #1	1600-14699	E		7-7-62
8	Anch. G&O Dev. Co.	Rosetta #4	0-1619	E		11-13-61
10	Gen. Pet. Corp.	Great Basins #2	15-7800	E		12-11-61
12	Ala. Cons. Oil Co.	Iniskin U.-A. Zappa #1	0-11230	E	Yes	12-19-61
24	Halbouty Ala. Oil	AO&M-King Oil 1B	50-14019	E		10-26-62
26	Halbouty Ala. Oil	Bishop Creek Unit 11-11(1)	40-9030	E		10-10-62
6-61	Pan Am Pet Corp	Napatuk Creek #1	0-14910	E	#1-12	7-20-62*
14-61	Union	Sterling Unit 23-15	0-14832	B		9-4-63

SAMPLE & CORE INVENTORY (cont'd.)

Permit No.	Operator	Well & Number	Interval	Condition	Core	Public Release Date
27-61	Hackathorn Drlg Co.	Rosetta 4A	0-1619	E		11-7-63
31-61	SOCAL	Swan Lake 34-27 (1)	6600-11984	B		10-25-63
42-61	Pure Oil Co.	Canoe Bay Unit #1	0-6642	E		11-26-63
48-61	Pan Am Pet Corp	Stedatna Cr.-State #1	120-7450	E		3-9-64
49-61	Pan Am Pet Corp	West Foreland #1	30-13500	E		4-29-64
55-61	SOCAL	SCU 34-16 (32)	Mixed intervals	B		4-25-64
3-62	Union	Nenana 1	0-3062	E		4-6-64
5-62	British Am	Bell Island Unit 1	0-11364	B		6-31-64
10-62	Union	Pittman Unit	25-5850	E		6-27-64
12-62	Richfield	White River Unit 2	10-12420	E		11-25-64
16-62	SOCAL	West Fork Unit 233-16	0-6800	B		5-26-64
18-62	SOCAL	Beluga River Unit 1	0-16428	B		1-18-64
20-62	SOCAL	SCU 22-32 (34)	1000-14452	B		10-21-64
23-62	Occidental Pet Corp	South Dia Gulch 1	696-10558	E		11-25-64
22-62	Colo. O&G Corp	Malaspina Unit 1-A	0-13823	B		11-22-64
24-62	Union	Ninilchik State #1	0-14940	E		1-1-65
25-62	Union	Sterling Unit 43-28	1150-5630	E		8-7-64
29-62	SOCAL	SRU 14-9	0-14360	B		5-14-65
32-62	Aledo Oil Co.	Eureka #2	0-8546	E		5-6-65
33-62	SOCAL	BRU 212-25	300-5800	E		1-28-65
35-62	Richfield	Wide Bay #1	2740-3050	E		3-2-65
36-62	Sinclair	Swan Lake #2	146-6730	E		3-22-65
38-62	SOCAL	SCU 22A-32	0-14796	B		4-4-65
63-1	B. P. Exploration	Wasilla State #1	0-4849	B	Yes	3-25-65
63-2	SOCAL	BRU 233-27	303-5680	E		4-25-65

* released early by operator

E. AND M. J. METAL MARKET PRICES

	<u>May 27, 1963</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	31¢	31¢	30.6¢
Lead, per lb.	10.5¢	10.5¢	9.5¢
Zinc, per lb.	11.5¢	11.5¢	12.0¢
Tin, per lb.	115.0¢	115.0¢	116.0¢
Nickel, per lb.	79¢	79¢	79¢
Platinum, per oz.	\$77-80	\$77-80	\$80-85
Mercury, per flask	\$183-186	\$184-187	\$192-195
Antimony ore, per unit	\$4.25-4.35	\$4.25-4.35	\$4.50-4.75
Beryllium ore, per unit	Domestic price not quoted.		\$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	\$16-18	\$16-18	\$20-22
Silver, foreign, per oz.	128.280¢	\$127.100¢	101.5¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢

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