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

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITY

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Northwestern: Word has been received from Nome that Walt Glavinovich and crew moved USSR&M Company's No. 5 dredge onto a dry pad from the dredge pond. The Company's dredging operation at Nome is now shut down for an indefinite period.

John Novak and Milton Morgan are working on their offshore prospecting permits in the Bluff area. Bill Minz is doing assessment work and doesn't intend to mine this year.

The Lee brothers are active at their Solomon River Camp. Herb Engstrom intends to dredge. Newmont Mining Company and the USSR&M Company are actively prospecting beryllium claims in the Lost River area.

Bear Creek Mining Company has two diamond drills going in the Kobuk area. Several of Alaska's jade dealers were active in the Shungnak area collecting jade for their shops.

Doug Colp's dredge is operating on Klery Creek north of Kiana, and he has constructed an air strip nearby. Archie Ferguson is mining in the Candle area. Grant Nelson has one dredge running on the Immachuk River.

Southeastern: Dick Denny, Assayer, reports that several prospectors have left for the hills. Nearly all of them are participating in the Prospectors Assistance Program.

The Kendrick Bay Mine is still actively producing uranium ore and carrying on development work.

COAL NEWS

Wiley Robinson, State Coal Mine Inspector, reports that the coal mines are busy with their new contracts. Cole McFarland has been transferred by Joint Ventures, Inc., to California, and Hugh Matheson has been appointed general manager of the Evan Jones Coal Mine in Cole's place.

OIL NEWS

Two permits to drill have been issued since the last report. They are as follows:

Union Oil Co.--Knik Arm State #1. Surface location 1100' N and 1700' E of SW corner, Section 1, T14NR4W, SM. Subsurface location 1000' E of surface location. This directional hole is being drilled on uplands bordering the west side of Knik Arm north of Anchorage and will be bottomed on State owned submerged lands under Knik Arm.

Gulf Oil Corporation--Sandy River Federal #1. Location 1991.4' S and 1543.5' W of NE corner, Section 10, 46S70W, SM. This is Gulf Oil Corporation's first drilling operation in Alaska. It lies on the Alaska Peninsula 20 miles northeast of Port Moller.

Drilling Activity:

<u>Operator</u>	<u>Well Number</u>	<u>Status 7/26/63</u>
Richfield	Wide Bay Unit	Drilling
Pan American	Cook Inlet #1	Burning
Pan American	Middle Ground Shoal #2	Drilling
Pan American	Cook Inlet #1A (Relief well)	Drilling
Shell	Middle Ground Shoal #1	Drilling
SoCal	SRU 21-16	Drilling
Union	Kenai Unit 43-9	Testing

Completions:

Pan American	Moose Creek #1	P&A (7/26/63)
British Petroleum	WRU #3	P&A (7/26/63)

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil-Barrels</u>	<u>Gas (MCF)</u>
June, 1963	54	866,712	213,711
Cumulative to July 1, 1963		22,638,092	4,540,466

Production, Kenai Gas Field:

June, 1963	2		202,081
Cumulative, to July 1, 1963			3,434,150

Production, Sterling Gas Field:

June, 1963	1		3,747
Cumulative to July 1, 1963			47,679

Production, Swanson River Gas Field, Kenai Zone:

June, 1963	6		463,496
Cumulative to July 1, 1963			2,158,094

Gas Injection, Swanson River Field, Hemlock Zone:

June, 1963	3		605,941
Cumulative to July 1, 1963			3,030,536

DM&M PERSONNEL NEWS

Mr. Karl L. VonderAhe of Cooper Landing has been appointed to the position of State Petroleum Engineer. Mr. VonderAhe replaces Kenneth "Ty" Davison, who resigned June 19. He started his career with 21 years of varied engineering positions with Richfield Oil Corporation. He spent five and a half years on the Arctic slope in the development of Pet. #4 by the Navy, and 4 years as Chief Petroleum Engineer in Colombia, South America. He has been active in Oregon and Alaska in recent years.

Mr. Richard L. Denny, Assayer, Ketchikan District Office, has submitted his resignation to accept a position with the Eagle-Picher Company, Galena, Illinois. Dick had worked for them as a mining engineer before coming to work for the DM&M. This position is now open for application.

NEW PUBLICATIONS

U. S. GEOLOGICAL SURVEY:

Geology and Petrology of Two Stocks of Layered Gabbro in the Fairweather Range, Alaska, by D. L. Rossman, 1963, Bulletin #1121-F.

Geology of the Eastern Part of the Mount Fairweather Quadrangle, Glacier Bay, Alaska, by D. L. Rossman, 1963, Bulletin #1121-K.

Reconnaissance Geology of Northern Baranof Island, Alaska, by H. C. Berg and D. W. Hinckley, 1963, Bulletin #1141-O.

These bulletins are available over the counter at the Survey's Public Inquiries Office, in the Cordova Building at Anchorage, and by mail from the USGS at 520 Illinois Street, Fairbanks. They are available for reading at the various Survey DM&M offices.

U. S. BUREAU OF MINES PRESS RELEASE

The U. S. Bureau of Mines announced the identification of phenacite, an oxide of beryllium in samples taken near the Kendrick Bay Uranium Mine. The area containing the beryllium is apparently nearly all covered by existing mining claims.

MANGANESE, A CLUE TO OTHER METALS

The July issue of Mining World magazine contains an interesting article by D. F. Hewett, United States Geological Survey. The gist of the two page article is as follows:

About 200 veins of five specific types have been explored in Southwestern U. S. and Northern Mexico. The five types are: hypogene manganese oxide, barite, fluorite, gold-silver, and base metal veins. Manganese minerals have been mined from three of these types of veins. Base and precious metals have been mined from all five types. Many samples of near-surface manganese ores show the presence of base and precious metals. Many of the five types appear to be of the same metallogenetic epoch. Only a few of these veins have been mined to depths greater than 100 feet. Prospecting in depth is warranted in seeking precious and base metal ores in many of these veins known to contain sulphides in the near-surface manganese ores. A zonal pattern in plan can be shown--from manganese to base metal deposits--in several important manganese mining districts. In Butte, Montana, the same zoning in plan has been found by exploration. Similar zoning in depth is probable in other districts.

NOTICE TO MINING CLAIMANTS

Six 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 DM&M bulletins. Holders of the 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. First publication will be August 7, 1963, in the Ketchikan Daily News, and August 9, 1963, in the Wrangell Sentinel.

The six areas in general are: 1) Wilson Arm area--all land surrounding Wilson Arm, Bake-well Arm, the northern part of Boca De Quadra, and its lower drainage pattern; 2) Princess Bay area--includes a narrow strip of land extending from the headwaters of the streams entering Princess Bay, southward along the shoreline to include land along Narrow Pass, and all of Rudyard Island; 3) Blue River area--a triangular piece of land that includes both banks of the Blue River, both banks of the Unuk River to a point below First Canyon, and extending upriver to the U.S.-Canadian boundary; 4) Cape Pole-Shipley Bay area--includes all National Forest land on the western most part of the Kosciusko Island, Trout Creek drainage, and Mt. Francis, excluding those homesites within USS 2615, 2616, and 2617 at Cape Pole; 5) El Capitan Passage area--a narrow strip of land along the east shore of El Capitan passage on Prince of Wales Island; 6) Lava Creek-Exchange Island area--a narrow east-west strip of land that extends inland from Exchange Island to include the head of Lava Creek and the south drainage of Salmon Bay Lake.

ALASKAN AIME CONFERENCE

Earl H. Beistline, Dean of the College of Earth Science and Mineral Industry, University of Alaska, informs us that an AIME conference has been scheduled for March 18 to 20, 1964, at College, Alaska. The theme of the conference is planned to be "Recent Developments in the Mineral Industry". Speakers are now being sought. Anyone with suggestions as to possible speakers and subjects should contact Dean Beistline at the above address.

ANOTHER CANADIAN DISCOVERY

A large copper deposit about 70 miles NE of Wrangell at the junction of the Stikine and Scud Rivers is presently being explored. Kennecott Copper Company, Hudson Bay Mining and Smelting Co. Ltd., and Consolidated Mining and Smelting Co. Ltd. have formed Stikine Copper Ltd. for exploration of the deposit. It is reported that they presently have 200 claims and are working 10 diamond drills.

Even though this deposit is across the border, Alaska should benefit since the nearest port of entry is Wrangell.

Details of tonnage and grade are not known at this date.

GOLD BILL HEARINGS

The American Mining Congress reports that Federal Treasury and Commerce officials as well as spokesmen from the domestic gold manufacturing industry spoke against both bills before the Senate Interior Subcommittee on Minerals, Materials, and Fuels. Bills S.100 and S.1273 would result in a study of the gold mining industry and allow the miner to sell gold for domestic consumption at prices over the present \$35 per ounce price. The price of domestic gold would be derived as a result of the study and determined by the Secretary of the Interior. The price could not exceed \$105 per ounce.

Spokesmen from the mining industry, several western congressmen, and the senators from Alaska testified in favor of the bills.

Treasury and Commerce officials opposed the bills on the grounds that they create a two-price gold system and weaken the value of the dollar. However, Commerce officials thought assistance to depressed gold areas and retraining of personnel could be effected through the Area Redevelopment Administration.

E. AND M. J. METAL MARKET PRICES

	<u>July 29, 1963</u>	<u>Month ago</u>	<u>Year ago</u>
Copper, per lb.	31¢	31¢	31¢
Lead, per lb.	11.25¢	10.5¢	11.0¢
Zinc, per lb.	12.0¢	11.5¢	11.5¢
Tin, per lb.	113.875¢	117.0¢	119.0¢
Nickel, per lb.	79.0¢	79.0¢	74.0¢
Platinum, per oz.	\$77-80	\$77-80	\$80-85
Mercury, per flask	\$182-185	\$182-185	\$200-203
Antimony ore, per unit	\$4.25-4.35	\$4.25-4.35	\$4.35-4.50
Beryllium ore, per unit	Domestic prices 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	\$22-24
Silver, New York, per oz.	129.0¢	127.800¢	91.4¢
Silver, U. S. Treasury, per oz.	90.5¢	90.5¢	90.5¢