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MINING ACTIVITIES

Northwestern - Recent information received by the Division of Mines and Minerals indicates that Alaska coal is being tested in Japan for coking qualities. A shipment of five or ten tons was brought by air from the area northeast of Cape Lisburne to Anchorage where it was placed on the dock for transporting to Japan.

Central - The Alaska Portland Cement Co. has announced they hope to have a cement plant in operation near Cantwell by 1965. The limestone deposit is located within the confines of McKinley National Park, but the plant will be outside of the Park boundaries. The plant will be capable of producing 500,000 bbls. of cement a year and is so designed that it may be enlarged at a later date.

Keystone Mines, Inc. of Fairbanks has received a contract from the Office of Mineral Exploration for exploration of their prospect at Fairbanks Creek. The cost of the program is \$79,900, half of which will be financed by the OME. The company has been sinking a shaft and sampling this past season.

OIL NEWS

One application for permit to drill was approved this month as follows: Pan American Petroleum Corporation - Romig Park, Inc. #1 - 678.3' W of the E line and 572.4' N of the S line, Section 9, T.12N-R.4W., S.M. This test lies approximately 10 miles south of the Anchorage Post Office, two miles south of the Anchorage International Airport, and within 1/2 mile of the north shore of Turnagain Arm of Cook Inlet.

Drilling Activity:

<u>Operator</u>	<u>Well Number</u>	<u>Status 10/24/63</u>
Pan American	Romig Park #1	Drilling
Colorado Oil & Gas Corp.	Gubik Unit #1	Testing
Pan American	Cook Inlet #1	Preparing to Abandon
Pan American	Middle Ground Shoal #2	Testing
Pan American	Cook Inlet #1A (Relief Well)	Repairing casing
Pan American	Tyonek State #2	Drilling
SoCal	S.C.U. 23-3	Drilling
Gulf Oil Corp.	Sandy River Federal #1	Drilling
Superior	Happy Valley Unit 31-22	Drilling
SoCal	Naptowne Unit 24-8	Location
Shell	North Cook Inlet State	Suspended

Completions:

Richfield

Wide Bay Unit

P & A

Production, Swanson River Field, Hemlock Zone:

	Producing Wells	Oil-Barrels	Gas (MCF)
September, 1963	54	888,777	226,467
Cumulative to October 1, 1963		25,330,520	5,252,221

Production, Kenai Gas Field:

September, 1963	3		133,753
Cumulative to October 1, 1963			3,769,532

Production, Sterling Gas Field:

September, 1963	1		3,758
Cumulative to October 1, 1963			58,867

Production, Swanson River Gas Field, Kenai Zone:

September, 1963	6		406,354
Cumulative to October 1, 1963			3,604,377

Gas Injection, Swanson River Field, Hemlock Zone:

September, 1963	3		572,142
Cumulative to October 1, 1963			4,971,935

Statistics of 12th Competitive Sale - The State of Alaska will offer the following tabulated acreages and tracts at its 12th Competitive Oil and Gas Lease Sale on December 11, 1963. Further information, tract maps, etc., can be obtained from the Division of Lands, 344 Sixth Avenue, Anchorage, Alaska.

Acreage of University tracts in CRM	6,624.32	
Acreage of University tracts in SM	<u>5,122.05</u>	
Total acreage of University tracts		11,746.37
Total acreage of Offshore tracts		268,330.00
Total acreage of Mental Health lands		9,938.27
Total acreage of Reclassified GS* lands		<u>56,767.74</u>
Total acreage in Sale		346,782.38

Number of University tracts in CRM	28	
Number of University tracts in SM	23	
Total number of University tracts		51
Number of Mental Health tracts		17
Number of Reclassified GS tracts		94
Number of Offshore tracts		<u>143</u>
Total number of tracts		305

*General Selection under the Statehood Act.

Burning Gas - Condensate well extinguished in Cook Inlet - At 7:00 A.M., October 22, Pan American Petroleum Corporation's Cook Inlet #1, which had been blowing wild for 14 months, suddenly ceased to flow. Apparently the 35,000 barrels of salt water which the company pumped down the nearby relief well caused a softening of the exposed formation below the casing, causing sloughing of sufficient material to "bridge" the bore and block the flow of gas and condensate.

Actual communication of fluid between the 2 holes was not effectuated when the high pressure salt water was pumped down the relief well several weeks ago judging from the fact that the flame of the burning well did not show signs of the tracers which would have caused a specific color change of the flames.

The #1 well will be capped temporarily at the Inlet bottom until a rig can be moved over the #1 well to thoroughly cement off the producing horizon and plug the casing.

U. S. GEOLOGICAL SURVEY FAIRBANKS OFFICE MOVED

The Geological Survey has announced their new location in Fairbanks will be at 310 First Avenue. The phone numbers in the new location will remain the same:

Map Distribution Section	456-7084
Topographic Division	452-3698
Administrative Division	452-3383

U. S. BUREAU OF MINES PUBLICATION

The Bureau of Mines has announced publication of Report of Investigations 6238, "Investigation of a Subbituminous Coal Deposit Suitable for Open-cut Mining, Beluga River Coal Field, Alaska," by Robert S. Warfield. The report presents information obtained from diamond-core drilling and sampling, which revealed the deposit to be a shallow, saucer-like structure roughly a mile long and half a mile wide. The coal would be suitable for onsite power generation. The report describes the overburden and stripping conditions. The complete logs of the 34 drill holes are appended to the report. RI 6238 may be obtained from the Publications Distribution Section, Bureau of Mines, 4800 Forbes Avenue, Pittsburgh 13, Pennsylvania.

NEW RECORDING DISTRICT MAP AVAILABLE

A recently revised edition of a map of Alaska showing the recording districts and location of the district recording offices is now available from the University of Alaska, College of Earth Sciences and Mineral Industry. The cost is \$1.00. In addition to showing the recording districts, the map shows the principal withdrawals affecting mining and claim staking. A larger recording district map which also shows townships and ranges throughout Alaska is available at the same place for a price of \$5.00.

MINING CENSUS

Mining firms and firms selling mining products will take part this year-end in the 1963 federal economic census. The census is taken every five years and all firms are required to report such things as labor statistics, costs and quantities of supplies used, quantities and values of products or services under terms of the Census Act. The law provides that information concerning an individual firm must be kept confidential and may be used only for statistical purposes. File copies retained by the firm are also immune to court orders and other legal processes.

The census will be conducted entirely by mail, with forms going to large multi-unit firms in mid-November but with the bulk of the forms being mailed about mid-January. Deadline for filling out and returning the forms is February 29, 1964.

BARGE LINE BACKHAUL

The recent inauguration of rail-car barge service to Whittier will result in the availability of about four gondola cars per week for southbound bulk shipments. As these cars are returning south empty, there is a strong possibility that a low backhaul rate for ore could be obtained. Inquiries should be made at the Alaska Railroad or Puget Sound Alaska Van Lines Inc.

CANADIAN ACTIVITY

Toronto interests are planning a program of diamond drilling on an attractive silver-lead deposit known as the Erickson-Ashby group, situated in the Taku River area. Reece Powelson, well-known geologist, is understood to be associated with the venture. The vein, as exposed by Erickson and Ashby, was found to be 30 feet wide and at least 6 or 7 hundred feet long. The Alaska Treadwell Mining Company thought the property interesting as early as 1929.

The Consolidated Mining and Smelting Co. of Canada drilled an asbestos deposit situated in the Haines Road area, south of its junction with the Alaska Highway, Yukon Territory. Chrysotile fibre has been found in a number of locations.

Crest Exploration Ltd., wholly owned subsidiary of the California Standard Co. of Calgary, has four drills working on its vast hematite deposit in the Snake River area, Yukon Territory. One hundred tons of ore was mined for bulk sampling purposes and shipped for testing. Japanese interests investigated the property during the past summer.

OREGON GEOCHEMICAL SAMPLING PROGRAM

The Board of Governors of the Oregon Department of Geology and Mineral Industries has approved a long-range plan for the Department to begin a statewide geochemical sampling program. The plan is to sample sediments of the streams for trace amounts of minerals that in turn may indicate the presence

of ore deposits. This information will be plotted on maps for ready reference by interested persons. The program would start in a modest way by sampling in the areas that are most likely to have mineralization, and then over a period of years be extended throughout the entire state. Testing will be for three metals, copper, zinc, and molybdenum. The project will be carried on mainly by student labor, supervised by R. G. Bowen, Economic Geologist on the Department staff. Analyses of samples will be done in the Department's laboratory. The object of the program is to target areas for further exploration by individuals or companies looking for mineral deposits.

STATE GEOLOGISTS TAKE STAND ON WILDERNESS BILL

At a meeting May 7th in Morgantown, West Virginia, the following resolution was adopted by the members of the Association of American State Geologists:

Whereas, it is recognized that there exists a present and future need for the public preservation of open space, including natural areas, for the enjoyment or benefit of present and future generations; and

Whereas, the Wilderness Bill (S4) as passed by the Senate would greatly hinder -- if not virtually negate -- the beneficial development of our Nation's mineral resources;

Now, therefore, the Association of American State Geologists, in annual meeting assembled, respectfully urges that favorable consideration be given to revising this Senate Bill, before its final enactment, along the lines of HR 776 (1962).

AMERICAN MINING CONGRESS RECOMMENDATIONS

At its annual meeting in Los Angeles in September, the AMC adopted a policy statement including the following recommendations on taxation and gold:

Exploration expenditures, like other research expenditures, should be fully deductible and present limitations on deductibility of exploration expenditures should be removed.

Removal of restrictions on ownership, purchase, or sale of gold by United States citizens.

Termination of sale of gold by the Treasury for industrial uses, thus ending the subsidy the users of gold now enjoy at the expense of the miners.

Provision, as an interim measure, of some aid through a premium price, subsidy or tax relief, to preserve the few existing gold mines until the industry is revived through realistic revaluation of gold.

E. AND M. J. METAL MARKET PRICES

	<u>Oct. 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.	12¢	11.75¢	9.5¢
Zinc, per lb.	12.5¢	12.5¢	11.5¢
Tin, per lb.	122.750¢	117.125¢	110¢
Nickel, per lb.	79.0¢	79.0¢	79.0¢
Platinum, per oz.	\$79-82	\$79-82	\$80-85
Mercury, per flask	\$193-196	\$190-193	\$192-195
Antimony ore, per unit	\$4.25-4.35	\$4.25-4.35	\$4.25-4.50
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	\$16-20
Silver, New York, per oz.	129.300¢	129.300¢	121.95¢
Silver, U.S. Treasury, per oz.	90.5¢	90.5¢	90.5¢