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

P. O. Box 1391
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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Central - Keystone Mines, Inc. of Fairbanks is continuing exploration of their gold lode deposit on Fairbanks Creek under a participating contract with the Office of Mineral Exploration. During the winter months the work has consisted of shaft sinking, crosscutting and drifting.

The USSR&M Company's dredging operation in the Fairbanks area will be limited to one dredge, No. 10 on Cripple Creek. This dredge will complete the mining of the thawed ground available by late summer and will be stored for an indefinite period. The company will continue to operate its dredges at Chicken and Hogatza River.

Northwestern - Kennecott Copper Company intends to carry on further development work at the Ruby Creek deposit. The work is reported to consist of shafting, drilling, and some construction.

Shell Oil Company remains actively engaged in drilling through the ice off the Nome beach.

Southeastern - The Shakan Molybdenum prospect on Koskiusko Island has been leased by A. J. Industries to a group of Ketchikan prospectors. The group holds several claims near the old tunnel on a disseminated molybdenum prospect. The property was developed during the First World War by the Alaska Treadwell Gold Mining Company. Development consisted of 570 feet of tunnel and 14 surface cuts. The U. S. Geological Survey estimated reserves of 10 to 20,000 tons, containing about 1.5 per cent MoS_2 . It also indicated that a few additional tens of thousands of tons may be inferred.

The Alaska Barite Company, which announced plans of starting a new industry in Alaska, was directly affected by the recent earthquake in southwestern Alaska. The company has a barge containing their mill as well as two loads of ore in transit. They were in the process of pouring concrete footings for the mill at their location in Seward. The new industry would consist of mining barite from the Castle Island deposit near Petersburg, barging the ore to a mill in Seward, and processing it for use as drilling mud by the oil industry. What effect the recent events will have is not known at this time. The Division of Mines and Minerals directed Alaska Barite to the deposit and assisted in the early stages of this development.

The Milton J. Wershow Company purchased the remaining equipment of the Alaska Juneau Gold Mine. The equipment includes track, trolleys, mine cars,

hoists, milling equipment and mill building. The task of rehabilitating the main haulage system has been started by crews of A.J. Industries so that the equipment may be removed from within the mine. The Alaska Juneau Gold Mine produced approximately 89,000,000 tons of rock from which they recovered approximately \$80,000,000 in gold values.

OIL NEWS

Since the last report, the following application for permit to drill has been approved:

Mobil Oil Company: Ninilchik Unit #1 - 1920' S and 1920' E of NW 1/4 corner, Section 24, T18S, R14W, S.M. This location lies about 2 1/2 miles NE of the town of Ninilchik on the Jackinsky homestead.

Drilling Activity:

<u>Operator</u>	<u>Well Name & Number</u>	<u>Status 3/27/64</u>
Pan American Petroleum	Romig Park #1	P&A
Humble Oil & Refining Co.	Susitna State Unit #1	P&A
Mobil Oil Company	Salmon Berry Lake Unit #1	P&A
SOCO	Beluga River Unit #14-19	Drilling
Pan American Petroleum	Tyonek State #2	Drilling
SOCO	Naptowne Unit 24-28	Location
Union Texas Petroleum	Kahiltna River Unit #1	P&A
B.P. Exploration Co.	East Umiat #1	Suspended
B.P. Exploration Co.	Shale Wall Unit #1	P&A
Union Oil Company	Kenai Unit #33-1	Comp. Gas S.I.
Union Oil Company	Kasilof #1	Drilling
Mobil Oil Company	Ninilchik Unit #1	Drilling
Sinclair Oil & Gas Co.	Shrader Unit #1	Drilling

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
February, 1964	54	883,858	239,892
Cumulative to March 1, 1964		29,935,124	6,488,708

Production, Kenai Gas Field:

February, 1964	3	445,878
Cumulative to March 1, 1964		*5,733,145

Production, Sterling Gas Field:

February, 1964	1	4,159
Cumulative to March 1, 1964		79,141

Production, Swanson River Gas Field, Kenai Zone:

February, 1964	5	351,837
Cumulative to March 1, 1964		5,646,592

Gas Injection, Swanson River Field, Hemlock Zone:

February, 1964	460,168
Cumulative to March 1, 1964	7,539,669

Production, Beluga River Gas Field, Kenai Zone:

February, 1964	27,535
Cumulative to March 1, 1964	72,653

*Correction in cumulative total.

EARTHQUAKE CHANGES PLANS

Our Anchorage District Office and assay lab building was demolished in the recent earthquake which created great losses in Anchorage, Seward, Valdez, Cordova, and Kodiak. Temporary office quarters are now being sought. We are unable to re-establish our assay lab at present because of a shortage of funds. Samples should be sent to the Fairbanks assay lab (Room 105, State Office Building) or the Ketchikan assay lab (Box 1408). Assay results will be mailed from those two offices as rapidly as possible. X-ray analyses will not be available until damages to the equipment have been ascertained and repaired, and the Anchorage lab re-established.

We are revising our field work plans so that during the 1964 season detailed geological mapping and geochemical work will be concentrated in areas which appear to offer maximum promise for the discovery of new mines and which are so located that development will benefit communities that have suffered severe earthquake damage.

NEW PUBLICATIONS

U. S. Geological Survey

Bulletin 1154, Geology and Ore Deposits of the Bokan Mountain Uranium-Thorium Area Southeastern Alaska, by E. M. MacKevett, Jr.

Map I-410, Geologic Map and Section of the Northern Part of the McCarthy A-4 Quadrangle, Alaska, by Don J. Miller and Robert S. MacColl.

Map I-411, Reconnaissance Geologic Map of Baranof and Kruzof Islands, Alaska, by Robert A. Loney, John S. Pomeroy, David A. Brew and L. J. Patrick Muffler.

Professional Paper 432, Upper Cretaceous (Campanian and Maestrichtian) Ammonites from Southern Alaska, by David L. Jones.

Open File reports available for reading at various USGS and DMSM offices:

Preliminary report on tests of the application of geophysical methods to Arctic ground water problems, by David F. Barnes and Gerald R. MacCarthy.

Reconnaissance geochemistry of stream sediments from three areas near Juneau, Alaska, by Henry C. Berg.

PLATINUM EAST OF RUBY

Paul Solka, Jr., Special Assistant to the Governor, recalls that his father, in 1903, poled a boat up the Nowitna River and on up the Titna to its headwater tributaries, where he and his partner settled in for some winter prospecting. They sank several holes with wood fires, found little gold but a surprising amount of gray, heavy, malleable particles. When platinum was discovered at Goodnews Bay in 1924 the elder Solka decided to return, convinced now that he may have passed up an important platinum strike. Instead of ascending the Nowitna, he took a horse up the Cosna River Valley. Mislead by the sketchy map then available he turned into the head of the Big Mud River. He lost his horse, his provisions began to run low and winter was getting closer; so he built a raft and descended the Nowitna. Some years later he returned by airplane and located his old cabin. However, the creek had eroded its banks, destroying his "pannings," and there was no way to sink new holes. Solka insisted that his find was not tin, with which he was familiar. However, Charley Holkey, another well-known old-timer, reported good tin prospects about fifteen miles to the east, on the headwaters of the Cosna River.

The possibility of platinum lured Robert Buzby to the Titna in 1935 but he, too, was unsuccessful in locating a deposit of the metal.

GOLD NEWS

The U. S. gold supply dropped \$50 million during the month of February. This left the gold supply at \$15,463,000,000, the lowest level since 1939. During the period 1958 through September of 1963, foreign nations as a whole purchased \$7.4 billion of gold from the United States while also adding to their reserves \$1.8 billion from new gold output and Russian sales. The U. S. gold stock in 1949 represented 70% of the world's monetary gold whereas its stock now represents 37% of the Free World's monetary stock.

Senate Resolution 17, Legislature of the State of Alaska, was read in the U. S. Senate by Senator Gruening and at his request printed in the Congressional Record. The resolution urges the Congress of the United States to take favorable action on the legislation proposed by Senator Gruening to assist the domestic gold mining industry. The resolution also requested that copies be sent to various government heads so that their attention may be directed to the plight of the gold miner. The Gruening bill would permit payment of a modest bonus by the government for newly mined gold.

The Joint Economic Committee of Congress, composed of 16 members of the Senate and House, has recommended immediate repeal of the requirement that Federal Reserve banks maintain gold reserves equal to 25 per cent of outstanding Federal Reserve notes and deposit liabilities. The report must go before the House and Senate Banking Committees, where it is expected to meet stiff opposition.

JAPANESE ORE BUYERS IN B.C.

For the information of those who have written to us in the past for the names of Japanese ore or concentrate purchasers, we publish the following list of Japanese firms and agents. With the exception of that of Toyomenka, Inc., all of the following addresses are in Vancouver, B.C. This information is taken from the February 1964 issue of the Western Miner. The same issue also carries a list of 63 Canadian and American exploration groups which are interested in mining possibilities in the North.

Atake (Canada) Ltd. - #208, 470 Granville St., M. Kinoshita, Manager; M. Ishikawa, Mining Dept.

Gosho Co. Ltd., The - #928, 510 W. Hastings St., S. Okuhara, Manager.

C. Itoh & Co. (America), Inc. - #613, 409 Granville St., Y. Takasawa, Manager.

Kishimoto of B.C. Ltd. - 1955 W. Broadway, T. Tanaka, Manager.

Marubeni-Iida (Canada) Ltd. - #816, 510 W. Hastings St., K. Sonobe, Manager; Peter W. Roeck; M. Sonoda, Mineral Department.

Mitsubishi International Corporation - #302, 717 W. Pender St., E. Kodama, Manager; I. Hayashi, Asst. Manager; M. Masuda.

Mitsui & Co., Ltd. - #1101, 409 Granville St., Shinzo Tsutsumi, Manager; F. Kakehi, Assistant Manager; A. Alexander Ito, S. Shimoda, K. Ohya, Mining Department.

Mitsui Mining & Smelting Co. Ltd. - #419, 409 Granville St., Tatsuya Takeda, Representative; James S. Dodge, Consulting Mining Geologist, Aspen, Colorado.

Nichimen Co., Inc. - #208, 409 Granville St., J. Matsumoto, Manager.

Nippon Mining Co. Ltd. - #319, 409 Granville St., M. Shinoda, Manager.

Nissho (Canada) Ltd. - #512, 409 Granville St., Shaw Ishimoto, Manager.

Sumitomo Metal Mining Co., Ltd. - #1116, 510 W. Hastings St., T. Morinaga, Manager; K. Hoshina, Export Department; T. Umemoto, Mines Department.

C. T. Takahashi & Co. Ltd. - 823 Clark Dr., Roger K. Cheng, Manager.

Tokyo International Commerce Co., Inc. - #611, 726 Granville St., U. Senju, Manager Vancouver Branch; T. Sikeda, Assistant Manager.

Toyomenka, Inc. - 311 California St., San Francisco 4, K. Shibata, Vice-President and General Manager. (Plans to open office in Vancouver.)

Japanese Consulate - #1401, 510 W. Hastings St., Noboru Imajo, Consul of Japan.

Japan External Trade Organization - 510 W. Hastings St., S. Kohno, Secretary-Manager.

The Bank of Tokyo, Ltd. - #601, 409 Granville St., Y. Kuroyanagi, Liaison Officer.

E. AND M. J. METAL MARKET PRICES

	<u>March 30,</u> <u>1964</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	32¢	31¢	31¢
Lead, per lb.	13¢	13¢	10.5¢
Zinc, per lb.	13¢	13¢	11.5¢
Tin, per lb.	134.50¢	144.00¢	109.25¢
Nickel, per lb.	79¢	79¢	79.0¢
Platinum, per oz.	\$88	\$88	\$80-85
Mercury, per flask	\$263-273	\$265-270	\$187-190
Antimony ore, per unit	Not Quoted	\$4.80-5.50	\$4.25-4.50
Beryllium ore, per unit	Not Quoted	Not Quoted	Not Quoted
Chrome ore, per long ton	Not Quoted	Not Quoted	\$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.	129.3¢	129.3¢	127.64¢
Silver, U. S. Treasury, per oz.	129.29¢	129.29¢	90.5¢