

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

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DIVISION OF  
GEOLOGICAL SURVEY

P.O. Box 1391  
Juneau, Alaska

MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Northwestern - Wayne Chambers is operating a dredge on the property he acquired from Bill Munz. Morgan and Novak are dredging their offshore leases with an 80 h.p. suction pump. Kennecott is busy freighting and establishing a permanent camp at their Kobuk deposit.

Southwestern - Goodnews Bay Mining Company is operating their dredge at Platinum, Alaska. The New York-Alaska Gold Dredging Corporation is running one dredge at Nyac, Alaska.

Southeastern - Word has been received that Klukwan Iron Corporation has received patent on 75 claims near Klukwan. The patented claims include both placer and lode claims staked for iron several years ago.

PROSPECTOR'S ASSISTANCE PROGRAM

Word has been received that several of the 18 applicants for reimbursement under the program are out in the field. One applicant was in the process of drilling for placer gold and another was doing geochemical work.

Funds for the existing program are now exhausted. The individual reports and maps are due to be turned in by the end of September.

OIL NEWS

Second Liquid Hydrocarbon Well Discovery

Pan American Petroleum Corporation with its partners, Phillips Petroleum, Sinclair Oil and Gas, and Skelly Oil Company, announced the discovery of liquid hydrocarbons in commercial quantities in their Cook Inlet - State No. 1-A. The well tested at 661 barrels of 56° gravity condensate and 4,700 MCF of gas per day on a one-half inch choke.

This new field is over twenty miles from the Swanson River field and about the same distance from the oil discovery announced by Shell Oil Company last year at their Middle Ground Shoal - State No. 1 well.

New Oil and Gas Conservation Mailing List

Lack of response has caused us to again advise you that our old oil and gas conservation mailing list is being discarded. We are starting a completely

new one. All those who wish to be informed of conservation matters of general interest such as hearings, and regulation changes concerning drilling, production, secondary recovery, etc., should be on this list. Leasing matters are not included. Those wishing to be included on our oil and gas conservation mailing list should notify our Juneau office, Box 1391.

Also, we now have available the amended Oil and Gas Conservation Regulations and the revised Oil and Gas Conservation Act (Alaska Statutes Title 31) together in booklet form. This booklet may be obtained from us by mail from our Juneau office or "over the counter" at our Anchorage office (temporarily 800 L Street). Just ask for the Oil and Gas Conservation Regulations and Statute. Leasing regulations are not included.

#### Drilling Activity:

<u>Operator</u>	<u>Well Name and Number</u>	<u>Status 7/21/64</u>
Pan American Petroleum	Tyonek State #2	Abandoned
SOCO	Naptowne Unit 24-8	Location
Pan American Petroleum	Cook Inlet #1-A	Testing
Pan American Petroleum	Middle Ground Shoal #4	Drilling
Pan American Petroleum	Middle Ground Shoal #3	Drilling
Shell Oil Co. of Calif.	North Cook Inlet #1	Drilling
Union Oil Co. of Calif.	Kasilof #2	Drilling

#### Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
June 1964	55	915,204	265,798
Cumulative to July 1, 1964		33,570,094	7,515,061

#### Production, Kenai Gas Field:

June 1964	3	236,537
Cumulative to July 1, 1964		7,093,305

#### Production, Sterling Gas Field:

June 1964	1	3,856
Cumulative to July 1, 1964		95,093

#### Production, Swanson River Gas Field, Kenai Zone:

June 1964	4	357,609
Cumulative to July 1, 1964		7,225,319

#### Gas Injection, Swanson River Field, Hemlock Zone:

June 1964	3	503,394
Cumulative to July 1, 1964		9,650,161

During the month a permit to drill was issued to Union Oil Company of California to drill their Kasilof #2. The surface location is 537'S.L. and 324'W.L. Sec 28 3N12W SM. The bottom hole objective is to be 2050'E and 2600'N of SW corner Sec 29 3N12W SM. The elevation of the derrick floor is 93 feet above sea level.

#### Geophysical Exploration for Petroleum at High Level:

Because geophysical exploration for petroleum is done without fanfare and seldom observed near populated areas, many people are totally unaware of this type of exploration activity. A brief summary of the activity is as follows:

- North Arctic Slope - 3 seismic crews
- Gulf of Alaska - 1 offshore seismic crew and 1 offshore 'sparker' crew
- Moquakie Indian Reservation - 1 seismic crew
- Turnagain Arm - Chickaloon Flats - 1 mud flat seismic crew
- Lower Cook Inlet - 1 offshore 'sparker' crew

(A sparker operation uses an electric spark to supply the energy which an explosive charge supplies to a conventional seismic survey.)

#### ALASKA DRILLING CONTRACTOR

The Alaska Diamond Drill Contractor's Inc. of 3508 Minnesota Drive, Anchorage, Alaska, has announced they are open for business. Their equipment consists of four diamond core drills and one combination 1500 Failing rig.

They also represent TRUCO diamond bits and are suppliers of various other drilling equipment.

#### TIN SMELTER

The tin smelter that was announced in the June Bulletin as being built in Japan is probably in error. The U.S. Department of Commerce has informed us that a new tin smelter owned jointly by Japanese and Malaysian businessmen, is scheduled to go into operation this month at Klang, Malaysia, and is called the Oriental Tin Smelters, Ltd.

There is however, one small tin smelter, the Ikuno smelter, operating in Japan. We understand that the smelter has no excess capacity, however, there may be a possibility of developing a small tin market. The address is: Mitsubishi Metal Mining Company, Ltd., 6, 1-chome Ohte-machi, Chiyoda-ku, Tokyo.

The tin market is fluctuating a bit at present but the price is still at \$1.60.

### FINANCING ARRANGED FOR GRANDUC

Newmont has raised \$55 million for its copper development of the Granduc copper deposit between the Unuk River and Stewart, B.C. Bankers Trust Company of New York is loaning \$30 million, Hecla Mining Company is buying \$15 million in stock and American Smelting & Refining Company will put up \$10 million as an advance purchase of concentrates. Asarco's Tacoma refinery will take all output for the first ten years. Operations at a rate equivalent to 42,500 tons per year of metal are scheduled to start in early 1968. Ore reserves are estimated at 32.5 million tons averaging 1.93 per cent copper.

### IRON ORE NEAR WRANGELL

The recently announced iron ore prospect, explored by the U.S. Geological Survey is thought to be that of Paul Pieper's on the Bradfield Canal. The USGS has recently published a report on the deposit. The report, Bulletin 1108-D, "Geology of the North Bradfield River Iron Prospect, Southeastern Alaska," may be purchased from the U.S. Government Printing office in Washington, D.C.

### GEOLOGICAL FIELD PROGRAM ANNOUNCED FOR 1964 BY USGS

The U.S. Geological Survey has announced that they will have 23 full-time geologists, assisted by seasonal personnel conducting field geological investigations throughout the state.

They will have parties in the following areas: Porcupine River, Point Hope, Anchorage, Iliamna, Fairbanks, McCarthy, Yukon-Tanana upland, Kenai Peninsula, Kodiak Island, Prince of Wales Island, Baranof Island, Chicagof Island, Copper River lowlands, Juneau, Cape Thompson, Colville River, Teller, and Big Delta.

They will also have the research vessel, Don J. Miller, in the Prince William Sound area to serve as a base for geologic and oceanographic investigations of the earthquake effects.

### MINE-MOUTH PLANT FOR HEALY

The Rural Electrification Administration has approved an \$18 million loan to the Golden Valley Electric Association for the construction of a generating station and high voltage transmission system.

The generating station will be built close to the coal mines in the Healy area with a capability of 22,000 kilowatts. The transmission system will start at Healy and follow the Alaska Railroad tracks to Nenana then cross country to Fairbanks. Engineering is to start immediately and construction should be completed by 1967.

A loan for similar installation is being planned for location at Sutton in the Matanuska Valley. Two such plants will stabilize the coal industry in both the Matanuska and Nenana coal fields.

### FORECLOSED MINERAL SURVEYS (Patented Claims)

The Division of Lands has announced that they have a list of foreclosed mineral surveys available at their Anchorage office, 344 Sixth Avenue. The Division plans to offer these lands including the mineral rights at auction. The dates for the auctions have not been set. Each auction will be held at a place within the recording district in which the land is located.

### 1964 AMERICAN MINING CONGRESS CONVENTION

The 1964 American Mining Congress Convention will be held in Portland, Oregon, September 13-16. Convention topics include the following: National mineral policies; labor relations; mine finance; mine safety policy; public lands; taxation; gold, silver, and monetary policies; state of the mining industries; management techniques; exploration and geology; safety engineering; underground mining; minerals beneficiation; open pit mining; and transportation.

General and policy sessions will be held at the Portland-Hilton Hotel and technical and operating sessions will be held at the Sheraton Motor Inn.

### NEW PUBLICATIONS

U.S. Bureau of Mines, Circular 8206, "Marketing Ores and Concentrates of Gold, Silver, Copper, Lead, and Zinc in the United States" by Melford H. Salsbury, William H. Kerns, Frank B. Fulkerson, and George C. Branner. A comprehensive new marketing guide for the use of ore producers, especially the operators of small mines. The publication is designed to help mine operators determine the best markets for their ores and concentrates among the Nation's many mills and smelters, by evaluating such factors as freight rates, treatment charges, and penalties for undesirable minerals. Available for \$1.25 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

### ALASKA MAP ADVISORY COMMITTEE

As a follow-up of our notice and request for recommendations from the public on mapping last month, the Committee has now set its meeting for August 19, 1964 in Juneau. Check your last month's Bulletin for subjects on which recommendations are requested. Suggestions or recommendations received by James A. Williams, Box 1391, Juneau or Charles York, 344 Sixth, Anchorage by August 17 will be considered by the Committee for its recommendation to the U.S. Geological Survey.

### MINERAL INDUSTRY CONSULTANTS

We want to revise and up date our Information Circular No. 8, "Mineral Industry Consultants Available for Work in Alaska". This publication is free to the public on request. Those wishing to be included in the list of consultants contained in this circular may do so by writing to our Juneau office,

Box 1391, and giving us your (1) name and/or company name, (2) mailing address, and (3) consulting specialty or specialties. The circular does not include recommendations. It is intended only for public information on who is available for consulting work in Alaska in the various phases of the minerals industries only.

#### WATER POLLUTION PUBLIC MEETINGS

The President's Water Pollution Control Advisory Board will hold public meetings at: the Gold Room of the Baranof Western Hotel, Juneau, Mon. August 10 at 10 a.m.; Schaible Hall, University of Alaska Campus, College, Thur. August 13 at 8 p.m. and City Council Chambers, Loussac Library, Anchorage, Mon. August 17 at 8 p.m.

Some of the topics to be discussed are: (a) effects of the pulp mill industry on water quality; (b) effects of dredge and placer mining operations on water quality; (c) influences of low temperature on conventional waste treatment processes; (d) disposal of cannery wastes without injuring water quality; and (e) control of waste disposal from city, military and other federal installations.

The Advisory Board states: "The development of new industries in Alaska need not create insurmountable problems of water quality control. It is possible to handle the wastes from pulp mills, oil fields and refineries, chemical plants, and minerals processing plants so that they will not foul the water. To accomplish this, however, takes planning, public awareness, and technical know-how."

"The purpose of the meetings is to hear reports on what is being done in Alaska to protect water quality and to learn what further steps may be necessary. The board is interested in hearing the views of local groups who can contribute to a better understanding of the pollution problem."

#### E. AND M. J. METAL MARKET PRICES

	July 27 1964	Month Ago	Year Ago
Copper, per lb.	32¢	32¢	31¢
Lead, per lb.	13¢	13¢	11.0¢
Zinc, per lb.	13.5¢	13.5¢	11.5¢
Tin, per lb.	160¢	153.25¢	119.0¢
Nickel, per lb.	79¢	79¢	74¢
Platinum, per oz	\$87-90	\$87-90	\$80-85
Mercury, per flask	\$279-286	\$268-271	\$200-203
Antimony ore, per unit	\$8.25-9.40	\$7.75-8.50	\$4.35-4.50
Beryllium ore, per unit	Not Quoted	Not Quoted	\$46-48
Chrome ore, per long ton	Not Quoted	Not Quoted	\$36-38
Molybdenum conc., per lb.	\$1.55	\$1.55	\$1.40
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$17-19	\$16-18	\$22-24
Silver, New York, per oz	129.3¢	129.3¢	91.4¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	90.5¢