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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-A group of 32 antimony claims have been sold to the Silver Ridge Mining Company of Nelson, B.C., by Arley Taylor and Ken O'Hara of Fairbanks. Taylor found the antimony occurrence this summer while prospecting in the Eagle Creek area about 25 miles north of Fairbanks.

It is reported that the Usibelli Coal Mine made history the first part of November when it loaded 4,000 tons of prepared coal in 9 hours.

Northwest-The Ruby Creek Copper Development is now under the charge of the Ruby Creek Division of the Kennecott Copper Corporation. Mr. C.T. Penney is the project manager. The overland haul of the shafting supplies and equipment from Onion Portage on the Kobuk River to the camp will be started shortly after the first of the year. A post office is in the process of being established at the camp which is known as Bornite, Alaska.

NEW ANCHORAGE BUILDING FOR THE DM&M

Bids have been called for the construction of a new building for the Division of Mines and Minerals at Anchorage to replace the one that was destroyed by the March 27 earthquake. The new building will be located on the north side of Porcupine Drive, about 2000 feet north of the intersection of Airport Heights Road and the Glenn Highway, in Mountain View. The project will be supervised by the Corps of Engineers under the quake reconstruction program, and is paid for from Federal funds.

It will contain assay facilities, a modern geochemical laboratory, the X-ray spectrograph and defractometer, as well as offices for the Geology Branch, Petroleum Branch and Engineering Branch.

NEW ALASKAN PROSPECTING BOOK

Handbook for the Alaskan Prospector by Ernest Wolff. Contains 428 pages in two parts. Part I - Geology - Introduction to Geology, Mineralogy, The Study of Rocks, Structural Geology, Surface Features of the Land, Mineral Deposits. Part II - Prospecting - Background, General Prospecting, Prospecting and Exploration of Lodes, Diamond Drilling, Prospecting and Exploration of Placer Deposits, Sinking Placer Prospects Shafts, Drilling Placer Deposits, Geophysical, Geochemical and Mineralogical Prospecting, Auxiliary Techniques, Transportation; Clothing; Shelter; Food; Techniques and Equipment Used in Camp Life, Elements of Mining Law; Staking Claims, Geography of Alaska.

Mr. Wolff lived in Alaska 19 years. He graduated from the University of Alaska with a degree in Mining Engineering and has a degree in Geology from the University of Oregon. He presently is teaching geology at Colorado State University.

The book is for sale at \$5.00 from the Burnt River Exploration and Development Company, Fort Collins, Colorado. It is the first book of its size and detail devoted to prospecting in Alaska.

OIL NEWS

Drilling Activity:

<u>Operator</u>	<u>Well Name &amp; Number</u>	<u>Status 11/27/64</u>
Union Oil Company	Kenai #13-8	Location
Pan American Petroleum Corp.	Middle Ground Shoal #4	Oil well - Shut in
Pan American Petroleum Corp.	Middle Ground Shoal #3	Suspended
Pan American Petroleum Corp.	Middle Ground Shoal #6	Gas well - suspended
Humble Oil & Refining Co.	Tyonek Reserve #1	Drilling
B.P. Exploration	Kuparuk #1	Abandoned
B.P. Exploration	Kuparuk #1-A	Drilling

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
October 1964	54	944,743	270,421
Cumulative to November 1, 1964		37,310,602	8,599,349

Production, Kenai Gas Field:

October 1964	4		337,024
Cumulative to November 1, 1964			8,114,998

Production, Sterling Gas Field:

October 1964	1		**5,027
Cumulative to November 1, 1964			111,230

Production, Swanson River Field, Kenai Zone:

October 1964	4		245,464
Cumulative to November 1, 1964			*8,349,724

Gas Injection, Swanson River Field, Hemlock Zone:

October 1964	3		394,426
Cumulative to November 1, 1964			11,388,056

\* Correction for October 1 - 8,104,260  
 \*\*Includes +547 correction for September

During the month the following permits to drill were issued:

West Forelands Unit #1 - Pan American Petroleum Corporation, Operator. Approximate location 1980' NSL 1980' WEL, Sec. 3 - T8N-R14W, S.M. This well will be carried to a rather shallow depth. Intermediate casing will be set and the operation resumed next spring. This is in the water near the west side of Cook Inlet.

Kuparuk Unit #1-A - B.P. Exploration Co. (Alaska) Inc., Operator. 420' EWL 2420' NSL, Sec. 1 - T2S-R5E, UPM. This well is on the same graded location as Kuparuk #1. It is projected to test only shallow sands. This is on the Arctic Slope.

Kenai Unit #13-8 - Union Oil Company, Operator. 1774' FSL & 1034' FWL, Sec. 8 - T5N-R11W, S.M. This is an exploratory well on the north end of the Kenai Unit south of the City of Kenai.

State certifies discovery royalty award to Pan American Petroleum Corporation on the Cook Inlet Structure:

As an exploration incentive, the State reduces its usual 12½ per cent royalty to 5 per cent for the lease within which there is first discovered commercial quantities of oil or gas in a geologic structure. Only one ward can be made per structure.

On November 23 the Division of Lands certified the reduced discovery royalty on State of Alaska Oil & Gas Lease ADL 17589 to Pan American Petroleum Corporation as operator for itself and Skelly Oil Company, Phillips Petroleum, and Sinclair Oil & Gas Company.

Both the Cook Inlet #1, which blew wild for 14 months, and the Cook Inlet #1-A, which was used as a relief well to control the wild well, lie in this lease. Cook Inlet #1-A was subsequently completed as a shut-in well capable of commercial production.

1965 SEEN AS BIG YEAR IN OIL ACTIVITY

The Oil and Gas Journal, November 9 issue carried an interesting forecast on the 1965 drilling activity in the State. The following were among the activities forecast: Pan American will attempt a total of five wildcat or structure tests; Union Oil Company plans one wildcat; Mobil Oil Company will attempt two wildcat or test wells; British Petroleum Exploration Company (Alaska) Inc. will complete and drill another; Shell Oil Company will crude out of the inlet by barge until a pipeline is completed to a shore installation from the platform next summer.

The Alaska Scouting Service lists at least eight additional possible wildcat or development wells.

NEW PUBLICATIONS

U.S. Geological Survey, Professional Paper 501-C. Consists of

46 papers, 196 pages and 106 illustrations. Among the topics covered of special interest to Alaska readers is that beginning on page 117 describing ore controls at the Kathleen (Maclaren River) Copper deposit in eastern Alaska. It may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Price \$1.75.

Division of Mines and Minerals, Geologic Report No. 2, Bedrock Geology of the Rainbow Mountain Area, Alaska Range, Alaska. A thesis by Larry G. Hanson, written for the College of Earth Sciences and Minerals Industry, University of Alaska. The thesis was completed under a cooperative agreement with the DM&M. The author spent 13 weeks of the summer field season in 1962 mapping on a scale of 1:20,000. For sale over the counter at DM&M offices in Ketchikan, Juneau, Anchorage and Fairbanks. Available by mail from the Juneau office, Box 1391, Price \$2.00.

#### CANADIAN WINTER ROAD TO THE ARCTIC

A winter road through Canada's Mackenzie River Valley from Fort Providence to Inuvik is to be built and maintained by Calgary Exploration Service Ltd. The road will open this December and will be serviced and kept up until May 1, 1965. The road is suitable for all types of traffic. Services including food, shelter and fuel will be available at certain points along the 1,040 mile route. Telephone and radio communications will be set up and air patrol support will aid in the service program. This new road will open up vast new Canadian territories to both the oil industry and others.

#### PROPOSED DM&M ASSAY REGULATIONS

We propose to adopt regulations pertaining to our public assay services. These regulations will interpret and implement the two sections of law which authorize the Division's assaying function. They will establish in legal form the requirements or conditions under which the public may submit samples to the Division for assay or analysis and under which the Division will furnish assays or analyses on samples submitted.

The necessity for detailed guidelines for our assaying function has been caused by (1) the increased demand for our services by the growing number of travelers and vacationers who request assays on improperly taken samples not representative of geological formations or mineral occurrences, (2) the decreasing number of bona fide prospectors, and (3) the increased need of our assay services by the Division geologists and engineers in conducting state geological and geochemical investigations in the search for indications of ore deposits. Since these investigations are for the purpose of stimulating discoveries and exploration, and the results are made available for public distribution in the form of complete reports and maps, assaying in support of this work is being given priority.

We urge all interested persons to send us their comments or arguments regarding these proposals. You may send your written statements to James A. Williams, Director, Division of Mines and Minerals, P.O. Box 1391, Juneau, Alaska or you may be heard in the Director's office, Room 404, Capitol Building, Juneau, at or before 5 p.m. January 22, 1965. All comments

will be carefully considered before final adoption of the regulations in the following form or with amendments as may seem justified according to statements received.

For your easy reference, the proposed regulations and the existing law on which they are based are printed here. Copies will be mailed very shortly to those on our mailing list whom we know to be interested in this subject. Additional copies will be available from the above Juneau address or "over the counter" at the other Division offices.

The existing pertinent sections of law are quoted as follows:

Sec. 27.05.080. Public assay offices. The department shall, for the purpose of aiding bona fide miners and prospectors and stimulating mineral discoveries, establish a public assay office in each of the four judicial districts. The department may fix and prescribe rules, regulations and procedures considered necessary and expedient to carry out this section and section 90 of this chapter.

Sec. 27.05.090. Appointment of assayers, fees and procedure. The department shall appoint for each public assay office a competent person to make assays and analyses of Alaskan ores and minerals. No charge shall be imposed for an assay or analysis except when an assay or analysis is made on ores or minerals which do not originate in the State there shall be collected the same fee charged by the United States assay offices for similar services. The assays and analyses on Alaskan samples have precedence and shall be made in chronological order. It is not necessary for a person submitting a sample to disclose the precise location in Alaska which is the origin of the ore or mineral submitted for assay or analysis, or any other information concerning it, except its Alaska origin.

The proposed regulations are as follows:

Alaska Administrative Code  
Title 11. Natural Resources  
Division 2. Mines and Minerals  
Chapter 5. Administration and Services  
Subchapter 2. Assays

2726. Short Title

This subchapter pertains to the assaying services of the Division of Mines and Minerals of the Department of Natural Resources. It implements AS 27.05.080 and 090. It may be referred to as the "Assay Regulations".

2727. Authority

The authority is AS 27.05.

2728. Effective Date

This subchapter shall be filed on or before \_\_\_\_\_ and becomes effective on \_\_\_\_\_ thirtieth day thereafter.

2729 Assays for the Public

2729.1 The Division of Mines and Minerals makes, or causes to be made, quantitative determinations and identifications of Alaskan ores and minerals when submitted for these purposes. This service is performed by the Division without charge.

2729.2 When submitting a sample the sender shall request the specific determinations desired, state his name and residence, and indicate whether the sample originated in Alaska.

2729.3 Information received and results of determinations are normally available to the public and may be published by the Division unless the sender requests in writing that such information be kept confidential. If confidentiality is requested, the results are not disclosed until two years after the date of the assay report to the sender.

2729.4 No sample submitted by a private mining engineer or geologist sampling a prospect or mine for the purpose of evaluation, or submitted by a mine operator milling or shipping ore or hiring labor, is accepted by the Division for assay or analysis except as provided in Section 2729.6.

2729.5 Alaskan samples are assayed or analyzed by the Division in the order received, as far as practicable. Generally, priority is given to samples taken by members of the Division in the course of geological and geochemical investigations.

2729.6 Samples of non-Alaskan origin and Alaskan samples submitted by persons described in Sec. 2729.4 may be assayed as time permits and charged for at regular commercial rates.

E. AND M. J. METAL MARKET PRICES

	November 30, 1964	Month Ago	Year Ago
Copper, per lb.	34¢	34¢	31.0¢
Lead, per lb.	15¢	15¢	12.5¢
Zinc, per lb.	14.5¢	14.4¢	12.5¢
Tin, per lb.	191¢	206¢	128.125¢
Nickel, per lb.	79¢	79¢	79¢
Platinum, per oz.	\$87-90	\$87-90	\$79-83
Mercury, per flask	\$490-505	\$370-385	\$204-207
Antimony ore, per unit	\$8.00-8.75	\$8.00-8.75	\$4.25-4.35
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.	\$1.55	\$1.55	\$1.40
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$17-19	\$17-19	\$16-18
Silver, New York, per oz.	129.3¢	129.3¢	129.3¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	129.29¢