

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

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DIVISION OF  
GEOLOGICAL SURVEY

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Northwest - Kennecott Copper Corporation is in the process of erecting camp buildings and structures at Bornite, Alaska, near Kobuk. The construction is planned to be completed before winter so that shaft sinking and underground work can be carried out throughout the winter.

Ocean Science Engineering, Inc. of New York is investigating off-shore mineral deposits from Bluff to Tin City along the south coast of Seward Peninsula.

Reports indicate that Boyles Bros. are diamond drilling tin deposits near Lost River.

Northcentral - Little Squaw Mining Company is continuing underground exploration in the Chandalar. They are developing the Mikado and Little Squaw gold quartz veins by surface trenching and underground drifting.

Southeastern - Iron found by Mr. Jimmy Martin, Box 5, Hoonah, Alaska on the shores of Icy Strait is apparently one of the few magnetite occurrences found to date without the usual 3 to 4% titanium content. Spectrographic analyses revealed 35 to 55% iron, titanium less than 0.006%, and from a trace to 0.60% copper. The body is reportedly 10 to 18' wide and outcrops over a distance of 1½ miles.

COAL NEWS

The conversion of the Anchorage area military power plants from coal to natural gas was postponed one year by the U.S. Congress when funds for the conversion were deleted from the budget. This decision will allow the Evan Jones Coal mine to operate its open pit mine in the Matanuska coal field at least one more year. During the year a comprehensive study of the economics of the proposed change will be completed.

OIL NEWS

One new drilling permit was issued in July bringing the total for the year up to 19.

Pan American Petroleum Corporation's Tyonek State 18742 #1 was tested and an excellent production rate proven with gravity of the oil similar to that of Granite Point #1. This extends the Granite Point field about 1½ miles NNE. A drilling permit has been issued for another well to be drilled by them about 2 miles farther NNE.

All proposed six wells of Union-Marathon in the Kenai Field have been completed as gas wells and shut in pending completion of the gas line to the Swanson River Field and handling facilities there. These were all directionally drilled and selectively perforated. All are dual completions.

Shell Oil Company is currently testing S.R.S. State #1 after drilling to a total depth of 16,375'.

The State's 14th Competitive Lease Sale, on July 14, 1965, of lands on the Arctic Slope brought in \$6,145,472.59 in bonuses.

Pan American's drilling platform is in place and anchored in. It is scheduled to be completed and the first well spudded around the middle of October.

The Division of Mines and Minerals' public hearing on regulations for drilling of offshore core holes which had been postponed, was held on July 13. Many constructive criticisms were offered and will be considered in the revised version.

Drilling Activity:

| <u>Operator</u>              | <u>Well Name &amp; Number</u> | <u>Status 7/23/65</u>         |
|------------------------------|-------------------------------|-------------------------------|
| Shell Oil Company            | M.G.S. A2-1                   | Drilling                      |
| Shell Oil Company            | S.R.S. State #1               | Testing                       |
| Wallace Mining Company       | Wallace-Knutson #1-A          | Drilling                      |
| Mobil-Atlantic               | Moquawkie #1                  | Drilling                      |
| Union Oil Company of Calif.  | Trading Bay #2                | Suspended                     |
| Union Oil Company of Calif.  | Kenai Unit #21-7              | Comp. gas well -<br>suspended |
| Union Oil Company of Calif.  | Kenai Unit #43-6              | Comp. gas well -<br>suspended |
| Union Oil Company of Calif.  | Kenai Unit #43-7              | Comp. gas well -<br>suspended |
| Union Oil Company of Calif.  | Kenai Unit #11-6              | Comp. gas well -<br>suspended |
| Union Oil Company of Calif.  | Kenai Unit #11-7              | Not to be drilled             |
| Pan American Petroleum Corp. | Tyonek State 18742 #1         | Comp. oil well                |
| Pan American Petroleum Corp. | Tyonek State 17587 #2         | Location                      |

One well in the Tyonek field was tested on July 23, 1965.

OIL NEWS (Continued)

Production, Swanson River Field, Hemlock Zone:

|                            | <u>Producing Wells</u> | <u>Oil Barrels</u> | <u>Gas (MCF)</u> |
|----------------------------|------------------------|--------------------|------------------|
| June 1965                  | 51                     | 914,046            | 303,985          |
| Cumulative to July 1, 1965 |                        | 44,662,570         | 10,844,794       |

Production, Kenai Gas Field:

|                            |   |  |            |
|----------------------------|---|--|------------|
| June 1965                  | 2 |  | 291,516    |
| Cumulative to July 1, 1965 |   |  | 11,953,161 |

Production, Sterling Gas Field:

|                            |   |  |         |
|----------------------------|---|--|---------|
| June 1965                  | 1 |  | 9,349   |
| Cumulative to July 1, 1965 |   |  | 180,391 |

Production, Swanson River Field, Kenai Zone:

|                            |   |  |           |
|----------------------------|---|--|-----------|
| June 1965                  | 3 |  | 157,408   |
| Cumulative to July 1, 1965 |   |  | 9,932,782 |

Gas Injection, Swanson River Field, Hemlock Zone:

|                            |   |  |            |
|----------------------------|---|--|------------|
| June 1965                  | 3 |  | 350,010    |
| Cumulative to July 1, 1965 |   |  | 14,220,638 |

PARK WITHDRAWAL PROPOSED

The U.S. Bureau of Land Management at the request of the National Park Service has filed an application for withdrawal of approximately 9,118 acres of land adjacent to and north of Mt. McKinley Park in the vicinity of Wonder Lake.

According to the Park Service, the withdrawal is needed for additional facilities and additional primitive area.

The proposed withdrawal includes the Kantishna Mining District and the access road to the district as well as the Quigley airstrip and some of the old mines. During recent years, prospecting for lead, silver, gold and antimony in the area has increased. Several claims have been staked and at least one mining company is interested in these claims. There is one private tourist facility in the proposed withdrawal area and a need for more such facilities.

The park boundaries now contain nearly 2 million acres of primitive area.

### NEW PUBLICATIONS

Division of Mines and Minerals, Geologic Report No. 11, Geology of the Omilak-Otter Creek Area, Bendeleben Quadrangle, Seward Peninsula, Alaska, by Gordon Herreid. Twelve pages plus map. Price \$1.00.

Division of Mines and Minerals Geologic Report No. 16, Geology and Mineral Deposits of Central Knight Island, Prince William Sound, Alaska, by D.H. Richter. Thirty-seven pages plus map. Price \$1.00.

U.S. Bureau of Mines, Open File Report, Examination of the Sinuk iron Deposits, Seward Peninsula, Alaska, by John J. Mulligan.

U.S. Bureau of Mines, Open File Report, Examination of Hannum Lead Prospect, Fairhaven District, Seward Peninsula, Alaska, by John Mulligan.

U.S. Bureau of Mines, Open File Report, Reconnaissance of the Avnet Manganese Prospect, Tanana Quadrangle, Central Alaska, by Bruce I. Thomas.

U.S. Bureau of Mines, Open File Report, Preliminary Investigation of Limestone, Quartzite, and Dolomite Resources Near the Proposed Rampart Dam in Central Alaska, by Bruce I. Thomas.

The U.S. Bureau of Mines publications may be consulted during office hours at their office in Juneau or Washington, D.C. and will soon be available at the various offices of the Division of Mines and Minerals for study.

The Division of Mines and Minerals publications are available by mail from Box 1391, Juneau, or over the counter at the DM&M offices in Juneau, Anchorage, and Fairbanks, Price - \$1.00.

### NEW MINING BILLS

The Department of the Interior sent drafts of a proposed bill to the House and Senate for introduction which would require prospectors to file statements with the U.S. Bureau of Land Management regarding the location and ownership of unpatented mining claims. Two years would be allowed for such filing for existing claims and 90 days for new locations. Failure to file within the time limits would terminate the holder's rights to his claims. Assessment work statements would be required to be filed within 90 days after the expiration of the assessment work year, and the failure to file these for two successive years would terminate the rights of the claim holder. The need for this bill is stated to be that such filings would cause all land records to be in one place, and the prospector would no longer need to search both the recorder's and BLM records to ascertain land status. It is

also claimed that this would allow more effective management of the public lands by the BLM since it does not now have records of the mining claims. None of the present mining laws would be affected by this bill. Recording of claims at the appropriate recorders' offices would still be required.

A bill (S.2281) to amend Section 3 of the Act of July 23, 1955 (Public Law 167) and to authorize mining locations for certain mineral deposits has been introduced. It would allow mining of (1) deposits of materials which are valuable because the deposit has some property giving it distinct and special value, (2) block pumice in pieces having at least one dimension of two inches or more, (3) limestone suitable for use in the production of cement and metallurgical or chemical grade limestone and gypsum, and (4) sand, gravel, and rock for use as aggregates in the manufacture of concrete or for other construction purposes.

This bill also includes the proposed filing requirements and provisions as described above, and would further require that a bond be filed prior to the mining of any claims for the above enumerated classes of minerals to insure that the miner restores the land to its original condition unless he obtains a patent on the claims. He would be required to file an application for patent within three years from the date of location, and failure to file for patent within this time would terminate his rights. Title to claims patented under this Act would revert to the United States if substantial mining operations were not pursued within five years, and within 25 years if, prior to the removal of all mineral material, he uses the patented lands without consent for anything other than mining or processing or related uses.

E. AND M.J. METAL MARKET PRICES

|                                | <u>July 26</u><br><u>1965</u> | <u>Month Ago</u> | <u>Year Ago</u> |
|--------------------------------|-------------------------------|------------------|-----------------|
| Copper, per lb.                | 36.¢                          | 36.¢             | 32.¢            |
| Lead, per lb.                  | 16.¢                          | 16.¢             | 13.¢            |
| Zinc, per lb.                  | 14.5¢                         | 14.5¢            | 13.5¢           |
| Tin, per lb.                   | 189½¢                         | 185 1/8¢         | 160.¢           |
| Nickel, per lb.                | 79.¢                          | 79.¢             | 79¢             |
| Platinum, per oz.              | \$97-100                      | \$97-100         | \$87-90         |
| Mercury, per flask             | \$675-700                     | \$700-\$740      | \$279-286       |
| Antimony ore, per unit         | \$7.30-7.60                   | \$7.30-8.00      | \$8.25-9.40     |
| Beryllium powder, 98%, per lb. | \$54-66                       | \$54-66          | Not Quoted      |
| Chrome ore, per long ton       | \$31-35                       | \$31-35          | Not Quoted      |
| Molybdenum conc., per lb.      | \$1.55                        | \$1.55           | \$1.55          |
| Titanium ore, per ton          | \$23.-26                      | \$23-26          | \$23-26         |
| Tungsten ore, per unit         | \$27.50-28.50                 | \$27.25-28.25    | \$17-19         |
| Silver, New York, per oz.      | 129.3¢                        | 129.3¢           | 129.3¢          |
| Silver, U.S. Treasury, per oz. | 129.29¢                       | 129.29¢          | 129.29¢         |

