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Department of Natural Resources
DIVISION OF MINES AND MINERALS

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MINING ACTIVITIES

Northwestern - Fred Parker is shipping a Caterpillar D-9 tractor to his placer mine on the Inmachuk River northeast of Nome. His will be the first of the large "cats" to be used in placer mining on the Seward Peninsula.

Central - Silver Ridge Mining Company is negotiating for a contract to supply antimony from the Eagle Creek Mine near Fairbanks.

Southeastern - Exploration activity in this part of Alaska will increase substantially this summer if all of the individual geologists, engineers, and companies complete investigations brought to the attention of the Juneau office.

It has been reported that U.S. Steel will expend more time and effort on the Klukwan deposit this season.

Southwestern - Pan American Petroleum Corporation has announced it will continue its mineral exploration program. They have staked several hundred claims the past two years in the Chenik Mountain and Chignik Bay areas.

OIL AND GAS NEWS

Nine applications for permits to drill were approved by the Division's Petroleum Branch during the past month.

Nicolai Creek #1-A - Texaco Incorporated, Operator - Surface location: 2010' FSL and 290' FEL, Section 30, T11N-R12W, S.M.; Bottom Hole location: 1070' FSL and 768' FEL, Section 30, T11N-R12W, S.M. This location indicates a bottom hole location that is different from the #1 well.

Kustatan #1 - Union Oil Company, Operator - Surface location: 150' FSL & 150' FWL, Section 18, T8N-R13W, S.M.; Bottom hole location: 1000' FSL & 1700' FWL, Section 18, T8N-R13W, S.M. The drilling barge WODECO V will be used at this location.

Tyonek State 17588 #1 - Pan American Petroleum Corporation, Operator - 660' FSL & 660' FWL, Section 28, T11N-R11W, S.M. The Polarcub will be used to drill this Cook Inlet well.

Federal #1-3 - Austral Oil Company Incorporated, Operator - 1000' FSL & 660' FWL, Section 3, T18N-R1E, S.M. The location is about 7½ miles northwest of Palmer.

West Foreland Unit #2 - Pan American Petroleum Corporation, Operator - Surface location: 1980' FSL & 1980' FWL, Section 16, T8N-R14W, S.M.; Bottom Hole location: 1980' FNL & 660' FWL, Section 15, T8N-R14W, S.M. The well will be drilled from the shore to a location under Cook Inlet.

Cook Inlet State 17591 #1 - Pan American Petroleum Corporation, Operator - 660' FSL & 660' FEL, Section 3, T11N-R10W, S.M. This well is located in Cook Inlet west of the Cook Inlet oil field.

North Redoubt State 17579 #1 - Pan American Petroleum Corporation, Operator - Surface location: 1320' FNL & 660' FEL, Section 4, T8N-R13W, S.M.; Bottom Hole location: 660' FNL & 660' FWL, Section 4, T8N-R13W, S.M. This location is between the Middle Ground Shoal and McArthur River Fields.

MGS State #A-13-1 - Shell Oil Company, Operator - Surface location: 1627' FSL & 435' FEL, Section 11, T8N-R13W, S.M.; Bottom Hole location: 1980' FSL & 660' FWL, Section 1, T8N-R13W, S.M. This location is in the Middle Ground Shoal Field.

Forelands Channel #1 - Shell Oil Company, Operator - 800' FNL & 300' FWL, Section 30, T8N-R13W, S.M. This location in Cook Inlet has been given a footage spacing exception per Conservation Order No. 21.

<u>Conservation Order No. 21</u> - Shell Oil Company requested an order exempting the Forelands Channel #1 well from the footage spacing requirements set forth in Section 2061.1 of the Oil and Gas Conservation Regulations. Because the regular location was deemed hazardous due to the swift currents and water depth, Shell requested a bottom hole location less than 500 feet from a protracted section boundary. The Notice of Public Hearing was duly published and an Emergency Order was issued on April 15, 1966, granting a fifteen day approval for the spudding of the well.

<u>Pipeline Proposed</u> - A 42-mile, 20-inch pipeline has been proposed for the western shore of Cook Inlet to handle production from three oil fields that are currently shut in. It would start near the Granite Point Oil Field and terminate at a shipping port in the vicinity of Drift River. The line would also handle the production from the Trading Bay and McArthur River Fields and would have the capacity to move oil from future fields in the vicinity. The Cook Inlet Pipeline Company, who will construct

the facilities, is made up of Mobil Oil Company, Union Oil Company, Cities Service Company, and Atlantic Refining Company. If construction proceeds as planned, the project will be completed by mid-1967.

Drilling Activity:

Operator	Well Name & Number	Status 4/25/66
Austral Oil Company Inc.	Federal #1-3	Location
Austral Oil Company Inc.	J.M. Needham et al #1	Drilling
Shell Oil Company	MGS A-34-14	Drilling
Shell Oil Company	Forelands Channel State #1	Drilling
Wallace Mining Company	Wallace-Knutson #1-A	Drilling
Pan American Petroleum Corp.	USA Edna May Walker #1	Abandoned
Texaco Inc.	Nicolai Creek State #1-A	Sidetracking from 3088' in #1
Texaco Inc.	Trading Bay State #1	Location
Texaco Inc.	Coal Bay State #1	Location
Pan American Petroleum Corp.	MGS 17595 #5	Prep. to Test
Pan American Petroleum Corp.	MGS 17595 #6	Testing
Pan American Petroleum Corp.	MGS 17595 #7	Drilling
Pan American Petroleum Corp.	West Forelands Unit #2	Location
Pan American Petroleum Corp.	Cook Inlet 17591 #1	Drilling
Standard Oil Co. of Calif.	Naptowne #24-8	Testing
Atlantic Refining Company	Susie Unit #1	Drilling
Trinity Canadian Drilling Co.	Homesteaders #1	Drilling
Union Oil Company	Kustatan #1	Drilling
Pan American Petroleum Corp.	Tyonek State 17588 #1	Drilling
Pan American Petroleum Corp.	North Redoubt State 17579 #1	Location

Production - March, 1966

Field	Zone	Prod. Wells	Oil, Bbls.	Gas, MCF
Swanson River Field	Hemlock	49	944,497 53,000,964*	363,362 13,912,051*
	Kenai	2		135,798 11,227,279*
	Hemlock (Injection)	4		823,429** 19,161,390*
Middle Ground Shoal	Hemlock and Kenai	5 (Incl. 1 dual as 2 wells)	27,394 205,917*	14,134 88,000*

Field	Zone	Prod. Wells	Oil, Bbls.	Gas, MCF
Kenai	Kenai	9 (Incl. 1 dual as 2 wells)	19,652,838*	1,509,648
Sterling	Kenai	1		16,023
				296,244**

NOTE: Swanson River gas at pressure base 15.025 psi. All other is 14.65 psi

* Cumulative to April 1, 1966

** Includes 655,995 from Kenai Field

CADMIUM SOLDER A HEALTH HAZARD

The U.S. Public Health Service has issued a warning on the use of solder that contains Cadmium. The cadmium vaporizes when overheated and produces cadmium oxide, a poison that is odorless and lethal. The more common tin-based solder is harmless in this respect.

PROSPECTOR ASSISTANCE PROGRAM

Thirty thousand dollars has been appropriated for the Prospector Assistance Program for the coming fiscal year. Several applications have already been approved and several more are being processed.

The State reimburses approximately 75% of the cost of approved prospecting proposals submitted. Applications and regulations are available for those qualified prospectors desiring to participate. The regulations state that the proposals must be approved by a screening board and the Department of Natural Resources in order that reimbursement can be made. A minimum of thirty days is required to be spent in the field prospecting.

ANYONE FOR SINGLE JACKING?

We actually were forwarded a request recently from a prospector on where hand drilling steel can be obtained. We ran a check and were pleasantly surprised to learn that it can still be purchased. For the information of anyone who may be interested in this once widely-used item, Atlas Copco Ltd., 1395 Grandview Highway, Vancouver, B.C., or the American affiliate, Atlas Copco, Inc., 930 Brittan Avenue, San Carlos, California, can supply it.

IT'S EASIER IN WYOMING

The following is taken from the April issue of the Nevada Mining Association "News Letter":

"HAND-DUG OIL WELL: - A lease held near Newcastle, Wyoming, by Wycan, Inc., faced cancellation unless drilling commenced, but the

company's rig was not available, so, Al Smith, Wycan's general manager started pick and shovel work. He struck oil at a depth of 21 feet and was told by U.S. Geological Survey officials that his was the only hand-dug well known to exist in the over 2-million oil wells that have been drilled in the U.S. since the 1860's. A washing machine motor powers the pump that is bringing up 5 barrels of oil a day from the well."

REPORT ON REPORTS

Because of unexpected printing delays, Division of Mines and Minerals Geologic Report No. 17 on Hollis and Twelvemile Arm and Geochemical Report No. 10 on the Nenana Highway area did not become available during the past month as we announced in last month's Bulletin. Printing has now commenced. Available soon also should be Geochemical Report No. 12 on the Rampart District.

Published earlier and available now are Geochemical Report No. 6 on SE Alaska, Geochemical Report No. 9 on the Taylor Highway area (reveals nearly twenty areas that deserve additional prospecting), and Geologic Report No. 19 on part of the Amphitheatre Mountains, Mt. Hayes Quadrangle, (titaniferous ore body discovered and several anomalous stream sediment samples reported).

Reports on the following areas will be released as soon as we can get them finished and published, hopefully all before July 1: Eklutna, Eureka and Rainy Creeks (Alaska Range), Slana, Nixon Fork, Inmachuk River (Seward Peninsula), Sinuk River (Seward Peninsula), Southcentral Alaska (geochem), and Elliott Highway (geochem). All Division of Mines and Minerals reports are priced at $1.00 each unless otherwise noted. A description of one of the available reports follows:

Division of Mines and Minerals Geochemical Report No. 6, "Geochemical Investigations of Selected Areas in Southeastern Alaska, 1964 and 1965" by C.F. Herbert and W.H. Race contains 65 pages plus maps and stream sediment sample results of 12 areas within southeastern Alaska. Areas investigated were: Skagway, Glacier Point, St. James and William Henry Bays, Berners Bay, Taku River, Mansfield Peninsula, Tenakee Inlet, Kelp Bay, Pybus and Gambier Bays, Stikine River, Ratz Harbor and Coffman Cove, and Kina Cove. The 1964 investigation of the Hollis area has been omitted and reported in Geologic Report No. 17, soon to be released.

Five areas in which anomalous quantities of copper, lead, zinc, molybdenum, silver and/or nickel were found are recommended for further prospecting. None of these areas have been sufficiently delineated to warrant immediate trenching or drilling, but they should be further prospected by geochemical testing of stream sediments, rock chip samples, and soils with this in view.

USBM OPEN FILE REPORTS

The U.S. Bureau of Mines has released the reports listed below for open file use. They can be seen at the Juneau and Anchorage offices of the Division of Mines and Minerals as well as the USBM and USGS offices in Juneau, Anchorage, and Fairbanks.

"Investigation of the Nixon Fork Area, Kuskokwim River Basin, Alaska" by Raymond P. Maloney.

"Investigation of the Bailey Copper Prospect, Willow Creek Mining District, South Central Alaska" by Raymond P. Maloney.

"Investigation of the Purkeypile Prospects, Kuskokwim River Basin, Alaska" by R.P. Maloney and Bruce I. Thomas.

"Sampling and Coking Studies of Coal from Castle Mountain Mine, Matanuska Coal field, Alaska" by Robert S. Warfield, W.S. Landers, and Charles C. Boley.

E. AND M.J. METAL MARKET PRICES

	April 25 1966	Month Ago	Year Ago
Copper, per lb.	36¢	36¢	34.0¢
Lead, per lb.	16¢	16¢	16¢
Zinc, per lb.	15¢	15¢	14.5
Tin, per lb.	173.875	171.75¢	183.35
Nickel, per lb.	77.75¢	77.75¢	79¢
Platinum, per oz.	$97-100	$97-100	$97-100
Mercury, per flask	$397-410	$395-415	$510-520
Antimony ore, per unit	$5.25-6.50	$5.25-6.50	$7.50-8.50
Beryllium powder, 98% per lb.	$54-66	$54-66	$54-66
Chrome ore, per long ton	$31-35	$31-35	$30-35
Molybdenum Conc., per lb.	$1.55	$1.55	$1.55
Titanium ore, per ton	$21-24	$21-24	$23-28
Tungsten ore, per unit	$43.00	$43.00	$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¢