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Department of Natural Resources

DIVISION OF MINES AND MINERALS

GEOLOGICAL SURVEY

Juneau, Alaska 99801

MINES AND PETROLEUM BULLETIN

December 1966

MINING ACTIVITY

Southwestern - Goodnews Bay Mining Company closed its platinum dredging operation for the season in mid-November. The Awe Mining Company at Marvel Creek was forced to shut down its dredge earlier due to freezing weather.

Bob Lyman shipped cinnabar concentrates from the White Mountain deposit near McGrath. Jack Egnaty and John Murphy were reported prospecting a cinnabar occurrence near Georgetown on the Kuskokwim River.

Southeastern - Geo-X Surveys, Ltd., drilled several holes on Bonanza Gold's Jumbo Basin property on Hetta Inlet, Prince of Wales Island. Good intersections of copper with gold and silver were reported.

Cambridge Mining Corporation, Ltd., was reported drilling the copper prospect on the south end of Gravina Island at Seal Cove.

Alaska Barite Company shipped one load of 22,000 tons of barite from Castle Island near Petersburg and has a second shipment scheduled for the first part of December.

The White Pass and Yukon Railroad is constructing a bulk loading facility in Skagway for the purpose of handling bulk ore concentrates from mines in the Yukon. The facilities are to be used for transfer of the concentrates from the railroad to ships destined for Pacific Basin markets. The concentrates will be in containers. First shipper to use the facility will be the Imperial Mine near Whitehorse, scheduled to go into production in 1967.

OIL AND GAS NEWS

Two applications for permits to drill were approved by the Division's Petroleum Branch during the month:

MGS State #A-33-1 - Shell Oil Company, Operator - Surface location: 1685' FSL and 370' FEL, Sec. 11, T8N-R13W, S.M. Bottom hole location: 2580' FSL and 1870' FEL, Sec. 1, T8N-R13W, S.M. This is a development well location in the central portion of the Middle Ground Shoal Field.

Oil and Gas (Continued)

Point Possession Unit #1 - Texaco, Incorporated, Operator - 1422' FSL and 1505' FWL, Sec. 22, T10N-R7W, S.M. This wildcat location is 11 3/4 miles northeast of the Birch Hill Gas Field.

The corrected surface location for the Atlantic Richfield Company #1 Drift River State is 1962' FSL and 1989' FEL, Sec. 11, T5N-R17W, S.M.

Conservation Order #30

RE: THE APPLICATION OF THE UNION OIL COMPANY OF CALIFORNIA, operator of the Kenai Gas Field, to make permanent the temporary exception to Section 2061.2 of the Alaska Oil and Gas Conservation Regulations, Title 11, AAC granted by Conservation Order #16

IT APPEARING THAT:

1. The Union Oil Company of California, operator of the Kenai Unit, submitted on October 7, 1966, a request that the Alaska Oil and Gas Conservation Committee issue an order in accordance with the procedures described in Title 11, Section 2061.3 making permanent the 320-acre gas field spacing in the Kenai Unit;
2. Notice of the hearing was published in the Anchorage Daily News on October 10, 1966;
3. The hearing was held in the Division of Mines and Minerals office building in Anchorage, Alaska on October 21, 1966, at which time testimony in support of the application was presented and opportunity for comment and further testimony was given.

AND IT FURTHER APPEARING that after due consideration an exception to Section 2061.2 of the Alaska Oil and Gas Conservation Regulations should be permanently allowed. This order is subsequent to the issuance of Conservation Order #16 which permitted temporary 320-acre gas well spacing in the Kenai Gas Field.

NOW, THEREFORE, IT IS ORDERED that the permanent well spacing pattern for the Kenai Gas Field is 320 acres per well.

DONE AT Anchorage and Juneau, Alaska and dated October 21, 1966, (and signed by all four Committee members).

Drilling Activity:

<u>Operator</u>	<u>Well Name and Number</u>	<u>Status</u>
Atlantic Richfield Company	Drift River State #1	Abandoned
Atlantic Richfield Company	Susie Unit #1	Drilling
Austral Oil Company	Federal #1-3	Location-Will not be drilled
Cities Service Oil Company	Painter Creek #1	Location
Hunt Oil Company	Kalgin Island State #1	Drilling
Mobil Oil Corporation	Tower #1	Suspended
Pan American Petroleum Corp.	Cook Inlet State 17591 #1	Suspended
Pan American Petroleum Corp.	Cook Inlet State 17593 #1	Location
Pan American Petroleum Corp.	East MGS 18751 #1	Testing
Pan American Petroleum Corp.	Granite Point State 17587 #3	Drilling
Pan American Petroleum Corp.	MGS 17595 #4	Completing
Pan American Petroleum Corp.	MGS 17595 #5	Completing
Pan American Petroleum Corp.	MGS 17595 #8	Comp.-Oil Well
Pan American Petroleum Corp.	MGS 17595 #9	Drilling
Pan American Petroleum Corp.	North MGS State 18745 #1-A	Suspended
Pan American Petroleum Corp.	Redoubt Shoal State 22064 #1	Suspended
Placid Oil Company	State 17580 #1	Suspended
Shell Oil Company	West Foreland Unit #4	Abandoned
Shell Oil Company	MGS A-11-12	Drilling
Shell Oil Company	MGS A-33-1	Location
Standard Oil Co. of California	Ivan River #23-12	Drilling
Texaco, Incorporated	Coal Bay State #1	Drilling
Texaco, Incorporated	Nicolai Creek Unit #2	Comp. Gas Well - S.I.
Texaco, Incorporated	Point Possession Unit #1	Location
Texaco, Incorporated	Trading Bay State #2	Location
Texaco, Incorporated	Trading Bay State #3	Location
Union Oil Co. of California	East Trading Bay State #1	Abandoned
Union Oil Co. of California	Trading Bay State #A-2	Drilling

Production - October 1966

<u>Field</u>	<u>Zone</u>	<u>Prod. Wells</u>	<u>Oil, Bbls.</u>	<u>Gas, MCF #</u>
Swanson River Field	Hemlock	48	1,076,526	465,419 ¹
			59,682,944*	16,563,092 ²
	Kenai	0		11,543,831*
	Injection	6		3,598,170
	Hemlock			39,055,663*
Middle Ground Shoal	Hemlock	13	367,861	166,275 ⁴
	and Kenai	(Incl. 4 duals as 8 wells)	1,860,278* ³	849,220* ⁵

<u>Field</u>	<u>Zone</u>	<u>Prod. Wells</u>	<u>Oil, Bbls.</u>	<u>Gas, MCF #</u>
Kenai	Kenai	16 (Incl. 6 duals as 12 wells)		4,084,813 41,967,752*
Sterling	Kenai	1		12,130 379,377*

Corrections for last month: ¹439,337 instead of 455,717; ²16,097, 673 instead of 16,114,053; ³1,492,417 instead of 1,488,037; ⁴141,453 instead of 140,453; ⁵682,945 instead of 597,825.

Swanson River gas at pressure base 15.025 psi. All other is 14.65 psi.
* Cumulative to November 1, 1966

PROSPECTOR ASSISTANCE PROGRAM

Twelve participants in this year's program have completed their season's prospecting and have turned in their reports, maps, and receipted bills for reimbursement. More than 17 claims were staked and over 50 samples submitted for assay. A total of 1221 man days were spent in the field and reimbursements to date amount to \$16,244.30. Several participants have yet to file their reports for reimbursement and are urged to do so immediately.

NEW PUBLICATIONS

U.S. Geological Survey Professional Paper 543-C, Gravity Survey and Regional Geology of Prince William Sound Epicentral Region, Alaska. Eleven pages pertaining to the March 27 earthquake.

U.S. Geological Survey Bulletin 1198-F, Phytoecology of a Greenstone Habitat at Eagle, Alaska.

Both publications are available from the U.S. Government Printing Office, Washington, D.C., 20402.

PARKS AND WILDERNESS

The Advisory Board on National Parks, Historic Sites, Buildings, and Monuments adopted a resolution during an October meeting to re-classify Glacier Bay National Monument as a national park. Also recommended was the repeal of the law permitting mining within the monument. There are several known potential ore deposits within the monument, and a great deal of it remains unprospected.

The Interior Department announced 82 roadless areas on 67 National Wildlife Refuges and Ranges throughout the country have been selected

as qualifying for study and possible inclusion in the National Wilderness Preservation System. Alaska areas which qualify number 18 and involve a total of 17.7 million acres. Most of these areas are now closed to mining and leasing so apparently the classification would affect only transportation within the areas. Anyone wanting to visit the wilderness areas would have to walk.

E. AND M.J. METAL MARKET PRICES

	<u>November 28</u> <u>1966</u>	<u>Month Ago</u>	<u>Year Ago</u>
Copper, per lb.	36.6¢	36.6¢	35.9¢
Lead, per lb.	14¢	14¢	16¢
Zinc, per lb.	15¢	15¢	15¢
Tin, per lb.	154.4¢	154.4¢	174.9¢
Nickel, per lb.	77.7-85.3¢	77.75¢	77.75¢
Platinum, per oz.	\$100	\$100	\$97-100
Mercury, per flask	\$505-515	\$540-555	\$540-550
Antimony ore, per unit	\$4.65-5.65	\$4.55-5.55	\$5.50-6.30
Beryllium powder, 98% per lb.	\$54-66	\$54-66	\$54-66
Chrome ore, per long ton	\$31-35	\$31-35	\$31-35
Molybdenum Conc., per lb.	\$1.55	\$1.55	\$1.55
Titanium ore, per ton	\$21-24	\$21-24	\$21-24
Tungsten ore, per unit	\$43.00	\$43.00	\$29.75-30.25
Silver, New York, per oz.	129.3¢	129.3¢	129.3¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	129.29¢

1. The first part of the report is a general introduction to the project. It describes the purpose of the study and the objectives that were set at the beginning.

2. The second part of the report is a detailed description of the methodology used in the study. It explains the steps that were taken to collect and analyze the data.

3. The third part of the report is a discussion of the results of the study. It compares the findings with the expectations and discusses the implications of the results.

4. The fourth part of the report is a conclusion. It summarizes the main findings of the study and provides recommendations for future research.