

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

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DIVISION OF  
GEOLOGICAL SURVEY  
MINES AND PETROLEUM BULLETIN

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New Years Greetings: The entire staff of the DM&M wishes our readers a happy and prosperous 1962.

  
James A. Williams, Director

MINING ACTIVITIES

Southeast District - The Klukwan Iron Ore Corp., with whom Columbia Iron Mining Co. recently exercised an option for iron claims at Klukwan, has changed its bylaws with respect to its residence. Formerly a Toronto company, KIO Corp. now has as its official address and place of business 311 Franklin St., Juneau, Alaska.

Bay West, Inc., of Moab, Utah, mined by underground methods and shipped 2400 tons of uranium ore from the Kendrick Bay property on Prince of Wales Island during 1961. This is the property discovered by Ross and Adams in 1955 and mined by open-pit methods by Climax Molybdenum Co. in 1957.

Northwest District - Bear Creek Mining Co. completed 46,000 feet of diamond drilling at the Ruby Creek copper property during the 1961 exploration season. Five drills were used on two ten-hour shifts. Employment at the camp varied between 40 and 50 men. Work will be continued in 1962.

Central District - Cripple Creek Coal Co. has ceased operations. Some of its equipment was sold to Usibelli Coal Mines.

OIL NEWS

During December the Petroleum Branch of the DM&M approved three applications for permit to drill, all development wells in the Swanson River Field, Standard Oil Co. of Cal., Opr.: (1) Soldotna Creek Unit 32-5, 2140' FNL & 1980' FEL, Sec 5, T7N, R9W, SM; (2) Soldotna Creek Unit 34-16, 880' FSL & 1470' FEL, Sec 16, T7N, R9W, SM; (3) Swanson River Unit 21-34, 660' FNL & 1980' FWL, Sec 34, T8N, R9W, SM. The SCU 34-16 well will be a step-out well to the south.

Drilling permits issued as of December 27, 1961 total 55, compared to 30 for the same period in 1960.

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Notice: Please read the enclosed "Pink Slip No. 6" and return it to us if you wish to continue receiving this Bulletin.

Drilling Activity - December 27, 1961

<u>Operator</u>	<u>Well Name &amp; No.</u>	<u>Status</u>
Pan American	West Foreland 1	Drilling
Pan American	Stedatna Creek-State 1	Drilling
Richfield	Bering River Unit 2	Drilling @ 4382'
Superior	Chult-State 1	Spud 12-26, drlg.
SOCAL	Chaix Hills Unit 1-A	Drilling @ 4918'
SOCAL	SRU 21-22	TD 11,012', testing
SOCAL	SCU 34-8	Drilling @ 11,115'
SOCAL	SCU 21-3	TD 11,100', testing
SOCAL	Anchor River Unit 1	Spud 11-26, TD 6896', P&A 12-24
SOCAL	SRU 41-28	TD 11,211', P&A

Production, Swanson River Field

	<u>Producing Wells</u>	<u>Oil (barrels)</u>	<u>Water (barrels)</u>	<u>Gas (MCF)</u>
November, 1961	45	795,226	18,970	142,189
Cumulative to December 1, 1961		6,319,422	185,449	1,260,613

Production, Kenai Gas Field

	<u>Producing Wells</u>	<u>Oil (barrels)</u>	<u>Water (barrels)</u>	<u>Gas (MCF)</u>
November, 1961	3	0	0	61,603
Cumulative to December 1, 1961		0	0	132,655

Results of Competitive Oil and Gas Lease Sale No. 7 - The fourth and last competitive sale for 1961, held on December 19, was the most successful to date. The areas offered included 57 tracts (253,922 acres) of offshore lands in Cook Inlet, Kachemak Bay, Icy Bay-Yakutat region, and 11 tracts (1,785.44 acres) of University of Alaska lands on the lower Kenai Peninsula. The 42 offshore tracts (185,932 acres) bid on brought a bonus bid of \$14,680,489.33, an average of \$79.21/acre. All 11 University of Alaska tracts were bid on and the bonus bid amounted to \$182,560.00, an average of \$102.24/acre. The 53 tracts bid on covered 187,118.44 acres and received 119 bids. Successful bidders and their total bids were: Halbouty Alaska Oil Co. \$13,223.50; Standard Oil Co. of Cal. \$158,904.00; Texaco Inc. \$977,007.10; Superior Oil Co. \$389,120.00; Pure Oil Co. \$10,911.00; Albert Stevenson \$10,373.40; H.L. Hunt \$32,000.00; Franco-Western Oil Co. \$28,901.80; joint bid of Richfield Oil Corp., Standard Oil Co. of Cal., and Shell Oil Co. \$5,341,086.00; Pan American Petroleum Corp. \$7,296,000.00; joint bid of Union Oil Co. of Cal. and Ohio Oil Co. \$164,950.00; joint bid of Richfield Oil Corp. and Standard Oil Co. of Cal. \$330,086.33; and Colorado Oil and Gas Corp. \$110,486.20.

Release of Records - Pursuant to Section 2008.1 of the Alaska Oil and Gas Conservation Regulations, well records of the following well will be released publicly: Kenai Unit 33-30; Union Oil Co. of Cal., Opr., January 21, 1962.

Middle Tanana Basin Well Planned - The Union Oil Co. of Cal. announced during December, 1961, that an exploratory well will be drilled sometime in February, 1962, in the Middle Tanana Basin about 15 miles west of Nenana. Presently, an ice road is being constructed over which a slim-hole rig owned by the Santa Fe Drilling Co. will be hauled to location. At least one hole will be drilled before break-up.

Ugashik Development Contract Approved - USGS has announced approval of Mobil Oil Co.'s Ugashik Development Contract which covers 528,065 acres bordering Bristol Bay southwest of Becharof Lake on the Alaska Peninsula and calls for the first of the wells to be spudded by June 13, 1963.

Pure Oil Co. - Canoe Bay Unit Operator - Effective December 11, 1961, the Pure Oil Co. became operator for the Canoe Bay Unit area on the Alaska Peninsula.

Swanson River Field Posted Crude Prices Upped - Effective December 15, 1961, the posted price for Swanson River Field crude was raised eight cents per barrel. The new schedule now ranges from \$2.41/bbl. for 25-25.9° API to \$3.29/bbl. for 40-40.9° API. The latest price change is the third for 1961 effected by the Standard Oil Co. of Cal. field operator, and the cumulative increase per barrel is 53 cents, since the establishment of the original field crude prices in Sept., 1960.

Second Noncompetitive Sale - The State Division of Lands has set January 4, 1962 as the opening date for filing conditional noncompetitive oil and gas lease applications. The 30 day simultaneous filing period begins at 10:00 a.m., January 4, and ends at 3:00 p.m., February 4, 1962; no applications will be accepted prior to the official opening time. Open for noncompetitive filing at this time are 341,020 acres in the Susitna Valley and the southern Tyonek area. Maps of the leasing tracts, legal descriptions, copies of the Oil and Gas leasing regulations, lease forms and additional information are available at the Division of Lands, 344 Sixth Ave., Anchorage. Copies of the maps (or protraction sheets) may be purchased for \$2.00 per sheet.

#### DECEMBER MINING ENGINEERING MAGAZINE

The December issue of Mining Engineering is devoted exclusively to Alaska, and is well worth reading for anyone interested in our mineral resources and possibilities. This magazine is published by the American Institute of Mining, Metallurgical, and Petroleum Engineers (AIME) 345 East 47th St., New York 17, N.Y. It is distributed to AIME members and others who subscribe to it. Its circulation is world wide. Copies printed of this issue were 15,700. It is not for sale at news stands, but a note included in the publication information says, "Single copies, \$ .75," so perhaps individual orders for this issue can be filled.

In addition to a good editorial under "Drift of Things" the articles contained in the issue are as follows:

University of Alaska -- E. H. Beistline  
Geology and Ore Deposits of Alaska -- G. Herreid  
Prospecting and Politics -- C. F. Herbert  
Evan Jones Coal Operation -- C. E. McFarland  
Usibelli Coal Operations -- W. I. Waugaman  
Principal Alaskan Dredging Operations  
The Red Devil Mine -- R. F. Lyman  
Alaska's New Mining Law for State Lands -- J. A. Williams  
Economic Aspects of Alaskan Mining -- A. Kaufman  
U.S. Bureau of Mines Program in Alaska -- J. A. Herdlick  
Division of Mines and Minerals, State of Alaska  
Future of Alaskan Mining Industry -- R. J. Lund  
An Alaskan's Viewpoint -- J. A. Williams

Contrary to a report in the monthly Land Lines of the Division of Lands, reprints of this whole issue are not available at this office. However, we have ordered separate reprints of two of the articles: "Geology and Ore Deposits of Alaska" and "Alaska's New Mining Law for State Lands." These should be here by mid-January and when they are received, will be sent free to anyone requesting them from DM&M, Box 1391, Juneau. Please specify which reprint is desired or whether both are wanted.

#### LANDS OPENED FOR COAL PROSPECTING PERMITS

The State Division of Lands has set an opening time of 10:00 a.m., January 11, 1962, for the filing of applications for coal prospecting permits or for requesting classifications for competitive leasing. The lands opened for the filing of such permit applications or requests are those which are noted on the Division of Lands records as of December 1, 1961 as being patented or for which tentative approval has been received from the Federal Government. Also open are all previously opened lands which are not under application or lease by the opening date.

Applications must be completed in accordance with the applicable Coal Regulations and must describe only such parts of the land desired which are not presently embraced in a permit or lease, or other lease or sale which would bar such a permit or lease, and which are not within or adjacent to an incorporated municipality or other organized community. Applications for coal prospecting permits must be accompanied by a \$20 filing fee in cash, cashier's or certified check, or money order, made payable to the Department of Revenue, State of Alaska, and must be filed at the office of the Division of Lands, 344 Sixth Ave., Anchorage. Permit forms (DL-70) and information are available at the Division office; requests for classification need not be submitted on a special form and do not require a filing fee.

#### USBM SAFETY STUDY

Public Law 87-300 resulted from H.R. 8341 being passed by the last session of Congress and signed into law by the President on September 26, 1961. This Law authorizes a two-year study by the U.S. Department of the Interior of safety conditions in metal mines and nonmetallic mines, the products of which enter interstate commerce. Under this Law, the U.S. Bureau of Mines has authority to enter these mines to study safety conditions and to require reports and information from the operators of such mines.

This Act is an outgrowth of proposals that have been before Congress for several years to make the USBM responsible for metal and nonmetallic mine safety enforcement. The mining industry has generally been against the proposal, stating that the States have been performing this function in a satisfactory manner. Congress now has authorized the above study to allow the Department of the Interior to find out if the States have been keeping the mines sufficiently safe. Mr. P. C. VanNatter, USBM Coal Mine Inspector for the Pacific Northwest and Alaska, is conducting this study in Alaska, according to information received.

### SALE OF FORECLOSED MINING CLAIMS

January 29, 1962 has been tentatively set by the State Division of Lands for an auction sale of foreclosed lands at 1:00 p.m. in the Palmer City Hall Council Chambers. Included among the foreclosed lands is U.S. Mineral Survey 975B, last known owner Brooklyn Development Co. MS 975B is part of a patented group of mining claims, formerly known as the Kelly Gold Mine and also as the Gold Center Mines, located at the head of Willow Creek in the Willow Creek Mining District. Details can be obtained from the Division of Lands, 344 6th Ave., Anch.

### MINERAL INDUSTRY CONSULTANTS

One of our information circulars is a list of mineral industry consultants who are available for work in Alaska. This list contains only the name and address of the individual or firm and the special field or fields. No advertising or recommendations are included. This circular is sent on request as a convenience to those who wish to know what consultants are available here. The hardrock, coal, nonmetallic, and petroleum fields are included. The list is restricted to consultants in actual field work such as engineers, geologists, geophysicists, transportation experts, surveyors, etc. The list now needs revision. If you would care to be included in such a circular, please send the above indicated information to the DM&M, Box 1391, Juneau before March 1, 1962.

### ETCETERA

Latest State land selection totals stand at 10,884,060.80 acres applied for, 1,957,687.43 acres tentatively approved, and 294,876.91 acres patented.

The USGS has published the Geological Map and Cross Sections of the Anchorage (D-2) Quadrangle and Northeasternmost Part of the Anchorage (D-3) Quadrangle, Alaska, Map I-342, by Arthur Grantz. It can be seen and purchased at the various USGS offices and is on file at the DM&M offices for inspection.

An open file report recently released by the USGS is Reconnaissance Engineering Geology for the Selection of Highway Route from Talkeetna to McGrath, Alaska by Florence R. Weber. It consists of one map on two sheets, and it is on file for inspection in the usual USGS offices and at the Juneau and Anchorage DM&M offices.

E. AND M. J. METAL MARKET PRICES

	<u>Dec. 28,</u> <u>1961</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	31¢	31¢	30.0¢
Lead, per lb.	10.25¢	10¢	11¢
Zinc, per lb.	12¢	11.5¢	12¢
Tin, per lb.	120.0¢	122.8¢	100.6¢
Nickel, per lb.	81.3¢	81.3¢	74¢
Platinum, per oz.	\$80-85	\$80-85	\$81-85
Mercury, per flask	\$190-193	\$189-192	\$209-212
Antimony ore, per unit	\$4.30-4.50	\$4.30-4.50	\$3.45-3.50
Beryllium ore, per unit	\$46-48	\$46-48	\$46-48
Chrome ore, per long ton	\$36-38	\$36-38	\$36-38
Molybdenum conc., per lb.	\$1.40	\$1.40	\$1.25
Titanium ore, per ton	\$23-26	\$23-26	\$23-26
Tungsten ore, per unit	\$20-22	\$20-22	\$22-24
Silver, foreign, per oz.	91.4¢	91.4¢	91.4¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢