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

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Northwestern - The Lee Brothers are preparing to mine placer tin this season from near Tin City.

Southcentral - Valdez Mines Ltd., will diamond drill the Spirit Mountain nickel deposit this summer. Roy E. Locke, General Manager, indicated that they will establish a camp at the deposit which is approximately 15 miles South 22° East from Chitina, on Canyon Creek, a tributary of the Copper River.

INCREASED DEMAND FOR ANTIMONY ORE

The C. Tennant Sons & Company of New York, 100 Park Avenue, New York, 17, N.Y. has written to the Department of Natural Resources requesting names of any miners of antimony ore in Alaska. They indicate that the present price is about \$7.00 per stu of Sb contained, with Pb and As in combination below 1 per cent.

OIL NEWS

Since the last report the following applications for permit to drill have been approved:

Kuparuk Unit #1 - B.P. Exploration Co. (Alaska) Inc., operator: 320' F.W.L. and 2510' F.N.L., Sec. 1 - T2S-R5E, U.P.M. This location lies about 400 miles north of Fairbanks and about 35 miles southeast of Umiat.

Drilling Activity:

<u>Operator</u>	<u>Well Name &amp; Number</u>	<u>Status 5/25/64</u>
SOCO	Beluga River Unit #14-19	P&A
Pan American Petroleum	Tyonek State #2	Drilling
SOCO	Naptowne Unit 24-8	Location
Union Oil Company	Kasilof #1	Drilling
Mobil Oil Company	Ninilchik Unit #1	P&A
Sinclair Oil & Gas Company	Little Twist Unit #1	Drilling
Pan American Petroleum	Middle Ground Shoal #4	Driving piles
an American Petroleum	Middle Ground Shoal #3	Location
B.P. Exploration Company	Kuparuk #1	Drilling

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil-Barrels</u>	<u>Gas (MCF)</u>
April 1964	53	912,185	252,797
Cumulative to May 1, 1964		31,706,120	6,977,304

Production, Kenai Gas Field:

April 1964	3		347,389
Cumulative to May 1, 1964			6,530,118

Production, Sterling Gas Field:

April 1964	1		4,335
Cumulative to May 1, 1964			87,383

Production, Swanson River Gas Field, Kenai Zone:

April 1964	4		421,737
Cumulative to May 1, 1964			6,463,630

Gas Injection, Swanson River Field, Hemlock Zone:

April 1964	3		560,464
Cumulative to May 1, 1964			8,610,222

Production, Beluga River Gas Field, Kenai Zone:

April 1964	1		28,009
Cumulative to May 1, 1964			129,492

COOK INLET OIL EXPLORATION ACTIVITY

Shell Oil Co. reports the drilling ship, Glomar II, has resumed drilling the suspended North Cook Inlet State No. 1 well. The joint venture wildcat was started late last summer and suspended for the winter.

Pan American Petroleum Corp., reports work has resumed on the suspended Cook Inlet State No. 1-A well. The Wodeco II, drilling barge, is now cleaning out the hole preparatory to an attempt to complete the well as an oil producer.

Pan American is also in the process of assembling a drilling platform, at the location of Middle Ground Shoal #4. The platform will be fastened to the inlet bed with pilings driven through the four large legs of the jack et. The upper portion, including a drilling platform, will be mounted atop

e jacket. At the end of each summer drilling season, divers will cut off the legs of the structure about 25 feet below the water surface and the top part will be removed so ice floes can pass safely over the structure.

A total of three wells can be drilled from the permanent structure.

Also enroute to Alaska is a drilling barge that climbs four legs to become a drilling platform. It will be used by Pan American to drill the Middle Ground Shoal No. 3 well, and is expected to go on location in the first part of June.

NOTICE TO MINING CLAIMANTS IN THE TENDERFOOT-BANNER CREEK AREA

The Fairbanks District Manager for the Bureau of Land Management has announced that the State of Alaska has selected lands in the Tenderfoot-Banner Creek mining areas. The lands are selected under the Statehood Act, which permits the State to select and obtain patent to public lands of the United States in Alaska, subject to any valid existing claim, location or entry under the laws of the United States.

The lands selected include all of the drainage of Banner Creek, Tenderfoot Creek and their tributaries. There has been considerable past placer mining activity in this area and many claims still have the Affidavits of Annual Labor filed up to date.

Any mining claimant within this area wishing to retain his claim under Federal rather than State control may initiate action to do so by filing his objections with the Land Office Manager, Bureau of Land Management, P.O. Box 1150, Fairbanks, Alaska. This protest should include names of the claims involved, where they are recorded including the document volume and page, and an accurate description of the lands involved. Protests will be received until patent issues to the State. The area has been closed to location under Federal mining law. Claims staked under State law prior to the State's receipt of tentative approval are at the locator's risk.

The State Mining Rights Regulations provide for the continuation of mineral rights acquired under Federal law when the State acquires Federal land. However, claims on State land cannot be patented, and the continuation of extralateral rights might be questioned. We (DM&M) recommend that the protest be made as outlined above, and that the claims be kept under Federal control. We will be glad to answer questions or furnish further information on the differences between Federal and State control.

OUR MISTAKE

Word has been received from the Kennecott Copper Corporation that Mr.

M.J. O'Shaughnessy, was named General Manager, New Mines Division, Kennecott Copper Corporation and not President as stated in last month's Bulletin.

Mr. O'Shaughnessy is presently in Alaska arranging for additional exploration of the Ruby Creek Copper Deposit near Kobuk. The transfer of the Ruby Creek property from Bear Creek Mining Co., an exploration subsidiary, to the New Mines Division seems significant.

#### GENEVA STEEL EXPLORATION PROGRAM

The Ketchikan Chamber of Commerce received a wire asking names and addresses of mining contractors interested in two month's work in exploration and tunnel work. Interested persons were advised to wire collect to S.G. Sargis, Columbia-Geneva Steel Division, P.O. Box 510, Provo, Utah.

Columbia-Geneva Steel Division is a subsidiary of U.S. Steel Corporation which controls claims held by their Columbia Iron Mining subsidiary at Klukwan, Union Bay, Wadleigh Island, and Hecata Island. The exploration program is thought to consist of driving approximately 200 feet of tunnel at Klukwan.

#### JAPANESE TO START TIN SMELTER

It is reported that the Japanese will start smelting tin beginning July 1964. The DM&M will endeavor to obtain additional information on this new smelter since it would provide a much closer market for Alaskan tin than any of the presently existing tin smelters.

Tin prices climbed to 139.750¢ the end of May according to E&MJ.

#### MARKET FOR PLACER GOLD

The following ad was printed in the Mining and Natural Resources Record, Denver, Colorado. "James Ryan & Associates, Will Buy Placer Gold for Cash, 105 Speer Boulevard, Denver, Colorado."

#### NEW PUBLICATIONS

##### New DM&M Geologic Reports

We regret the delay caused by the earthquake in the publication of our geologic reports on last summer's work. Two reports and possibly a third will be published before the next monthly Bulletin, so we are announcing their release now to enable interested persons to acquire them at the earliest possible moment. They will be available over the counter at all DM&M offices and by mail at only the Juneau office (Box 1391). Mail orders sent to Juneau will be filled immediately when the reports are ready. The price is 75¢ each.

The first two releases will be ready within two weeks and are entitled "Geology of the Niblack Anchorage Area, Southeast Alaska" by Gordon Herreid and "Geology and Mineral Deposits of the Ahtell Creek Area, Slana District, South-central Alaska" by Donald H. Richter. The latter report includes the report on the silver-lead discovery and the geochemical anomaly reported on by special simultaneous release last January.

The third report, which will be ready for sale possibly before the end of June, is "Geology and Mineral Deposits of the Denali-Maclaren River Area, Alaska" by M.A. Kaufman. This report includes a description of the copper and molybdenum discoveries reported on in the same special release mentioned above. Copies of "Geology of the Portage Creek-Susitna River Area" are still available at 75¢ each.

#### DM&M Earthquake Paper

To answer general inquiries about the March 27 earthquake, we have prepared a publication known as Miscellaneous Paper No. 1. It is available free on request over the counter at all our offices and by mail from the Juneau office, Box 1391. It consists of three mimeographed pages and an illustration showing the areas over which the effects were felt and the areas that have risen and subsided. Briefly covered in the paper is an explanation of earthquakes, a description of the results in Anchorage and the damages caused by the quake-generated sea waves, and other information of interest concerning the disaster.

#### USGS Publications

A detailed publication on the earthquake consisting of 35 pages and numerous photographs has been published by the U.S. Geological Survey. It is entitled Geological Survey Circular 491, "Alaska's Good Friday Earthquake March 27, 1964" and is available free from the USGS Washington, D.C. 20242.

U.S. Geological Survey Bulletin 1129, "Geology of Lost River Mine Area, Alaska" by C.L. Sainsbury has been released. Included in this Bulletin is information on grade and tonnage of the Lost River tin and tungsten reserves. It can be purchased from the Government Printing Office, Washington, D.C. The price is not stated.

#### DM&M 1964 FIELD PLANS

Field geological and geochemical mapping projects are listed below. The dates as projected are estimates made earlier this spring. Already we are behind schedule because of extremely late snow conditions. It will be noted by those familiar with our past operations that we have changed our policy with respect to field work by the mining engineers. They will spend most

of the summer making geochemical investigations, some in the areas where the geologists will be working and some in separate areas.

1. Seward Peninsula - June 15 to August 15. Geological and geochemical investigation of areas around or near Daniels Creek, Omilak, Kugruk River, and Haycock-Buckland. Herreid and assistant.
2. Knight Island (Prince William Sound) - May 26 to June 26. Geologic, geochem, trace elements study. A continuation of last year's work by Richter and assistant.
3. Slana (NW of Tok Highway) - June 26 to Sept. 6. Geologic and geochem. Continuation of last year's work by Richter and assistant.
4. Paxson (West of Richardson Highway) - June 1 to August 15. Geologic, geochem, and magnetic. Rose and assistant. Herreid and Saunders part time.
5. Sulfide Gulch (Valdez area) - August 15 to Sept. 1. Geologic, geochem. Sulfide Gulch to Jack Bay. Saunders and Rose.
6. Seward - Sept. 1 to Sept. 15. Geologic, geochem, and magnetic. Pass between South end of Nellie Juan Lake and South fork of Snow River. Herreid and Burand. (This project is flexible as to time and personnel.)
7. Richardson - July 20 to August 10. Geochem. From Tenderfoot placer area to Democrat and Keystone Creeks. Saunders and Burand.
8. Matanuska River - May 25 to June 17. Geochem. Moose Creek to Little Nelchina River. Jasper.
9. Susitna River - June 17 to July 7. Geochem. Wasilla to end of road construction. Drainage from the East. Jasper.
10. Willow Creek - July 7 to Sept. 7. Geochem and magnetic. West end of Willow Creek gold lode district. Jasper.
11. Chatanika River - July 1 to July 20. Geochem. Cleary Creek to Eagle Summit and beyond. Burand.
12. Tanana River - August 10 to Sept. 1. Geochem. Drainage from NW side working downstream from Cripple Creek.
13. Southeast Alaska - Geochem and magnetic. Ratz Harbor, Gambier Bay, Hollis, Skagway, St. James Bay, Whale Pass, Coffman Cove, Thorne Bay and possibly others. 5 to 15 days each as needed. Race.

#### COAL NEWS

The Anchorage City Council and the Palmer Power Development Committee have agreed to form a nonprofit corporation to construct a \$13 million mine-mouth power plant at Sutton, a station on the Alaska Railroad near the Matanuska coal fields. The power plant will provide 33,000 kilowatts of power for the Anchorage-Palmer area at a delivered cost of 7 to 8 mills compared to the present cost of 10 to 12 mills. The plant is expected to start producing power in 1967.

E. AND M. J. METAL MARKET PRICES

	<u>May 27,</u> <u>1964</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	32¢	32¢	31¢
Lead, per lb.	13¢	13¢	10.5¢
Zinc, per lb.	13.5¢	13.5¢	11.5¢
Tin, per lb.	139.75¢	134.75¢	115¢
Nickel, per lb.	79¢	79¢	79¢
*Platinum, per oz.	\$88	\$88	\$77-80
Mercury, per flask	\$265-268	\$263-266	\$183-186
Antimony ore, per unit	\$7.75-8.50	\$7.00-8.20	\$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	\$16-18	\$16-18	\$16-18
Silver, New York, per oz.	129.3¢	129.3¢	128.28¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	90.5¢

\*Spot prices for platinum are fluctuating, and have been up to 50 per cent... higher.

