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

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MINES AND PETROLEUM BULLETIN

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MINING ACTIVITIES

Central - The Wrangell Consolidated Mining Company has been shipping hand-picked copper ore from the McCarthy area via airplane and truck. They intend to install a 200 ton mill and ship concentrates next season.

A silver prospect is being developed in the Ahtell Creek area.

Southcentral - Cinnabar prospects in the Knik River area near Anchorage are being investigated. A new ore shoot on the Parks cinnabar prospect near Red Devil is being investigated.

Pan American Petroleum Corporation has a large crew with several helicopters prospecting the Alaska Peninsula for hardrock minerals in addition to the development work being carried on near Chenik Mountain and Chignik Bay. Davis Mining Company is also prospecting in that area.

Northeast - Little Squaw Mining Company has announced plans to construct a mill at its gold mine near Chandalar Lake.

Northwest - Ken Martin of Anchorage is in the Nome area looking for offshore work with his suction dredge.

OIL NEWS

During the month of August two permits to drill were issued as follows:

M.G.S. State 18746 #1, Pan American Petroleum Corporation, Operator, 660' N of S.L., 660' E of W.L., Section 35, T8N-R13W, S.M. This exploratory well lies in Cook Inlet waters four miles south of established production in the Middle Ground Shoal field.

S.R.S. South Cook Inlet State #2, Shell Oil Company, Operator. 1500' E and 1000' N of S.W. Corner, Section 2, T9N-R11W, S.M.

OIL NEWS (Continued)

This well lies in Cook Inlet waters about 11 miles south of Tyonek. It is located about three miles southwest of the recently suspended Shell South Cook Inlet State #1 well.

Proven limits of Granite Point Field continue to expand: Mobil Oil Company has completed its Granite Point #1 discovery well and Pan American Petroleum Corporation is drilling its second well in the Granite Point field after completing a successful field extension well two miles to the north of the Mobil discovery. These wells lie in approximately 70 feet of water south of the Moquawkie Indian Reservation. Both completed wells indicate a high producing potential of over 40° API gravity oil.

Drilling Activity:

<u>Operator</u>	<u>Well Name & Number</u>	<u>Status 8/25/65</u>
Shell Oil Company	S.R.S. So. Cook Inlet St. #2	Drilling
Shell Oil Company	M.G.S. A2-1	Testing
Shell Oil Company	S.R.S. State #1	Suspended
Wallace Mining Company	Wallace-Knutson #1-A	Drilling
Mobil-Atlantic	Moquawkie #1	Drilling
Union Oil Company of Calif.	Trading Bay #3	Testing
Pan American Petroleum Corp.	Tyonek State 17587 #2	Drilling
Standard Oil Co. of Calif.	North Fork Unit #1-35	Drilling
Pan American Petroleum Corp.	M.G.S. 18746 #1	Drilling

Production, Swanson River Field, Hemlock Zone:

	<u>Producing Wells</u>	<u>Oil Barrels</u>	<u>Gas (MCF)</u>
July 1965	51	930,389	322,340
Cumulative to August 1, 1965		45,592,959	11,167,134

Production, Kenai Gas Field:

July 1965	2	223,301
Cumulative to August 1, 1965		12,176,462

Production, Sterling Gas Field:

July 1965	1	8,249
Cumulative to August 1, 1965		188,640

Production, Swanson River Field, Kenai Zone:

July 1965	2	157,392
Cumulative to August 1, 1965		10,090,174

OIL NEWS (Continued)

Gas Injection, Swanson River Field, Hemlock Zone:

July 1965	2	351,765
Cumulative to August 1, 1965		14,572,403

DIVISION NEWS

Division of Mines and Minerals personnel stationed at Anchorage have moved into our new building. It is located away from the main business district toward Mountain View. The street and mailing address is 3001 Porcupine Drive, Anchorage, Alaska, 99504. The telephone number is 272-1577. This building was constructed by the Federal government as a replacement for the one which was demolished in the earthquake.

Thomas R. Marshall, Petroleum Geologist for the Division, has been appointed Petroleum Supervisor. As such, he is responsible for the activities of the Petroleum Branch. This branch is being expanded by one petroleum engineer and one petroleum geologist to properly stay abreast of the increasing duties and responsibilities caused by the rapidly growing oil industry. We are presently recruiting for the engineer and will be recruiting for the geologist later this fall.

We have not yet been able to staff the analytical and assay laboratory in the new Anchorage quarters. Recruiting for an X-ray mineralogist and an assayer-chemist is continuing. For further information on any of the above vacancies, write to James A. Williams, Director, Division of Mines and Minerals, Box 1391, Juneau, Alaska, 99801.

MINING CLAIM MAPPING PLANNED

The State Division of Lands is planning to start making a series of maps which will show the locations of mining claims which are on State-owned lands. While there is yet little State-owned land on which mining claims are located, this is a step in the right direction of showing all claims in the State on maps, which has long been needed. As claims are located on State-owned lands, the system may be expanded to show also other claims within the same mile-to-the-inch quadrangle which are on Federal land.

NEW PUBLICATIONS

U.S. Geological Survey, Open File Report, Geology of the Romanzof Mountains, Brooks Range, Northeastern, Alaska, by Edward G. Sable.

U.S. Geological Survey, Open File Report, Geology and Ore Deposits of the Central York Mountains, Western Seward Peninsula, Alaska, by C.L. Sainsbury.

NEW PUBLICATIONS (Continued)

Division of Mines and Minerals, Geologic Report #9, A Geologic and Geochemical Traverse Along the Nellie Juan River, Kenai Peninsula, Alaska, by G. Herreid. Two pages plus map. No charge.

U.S. Geological Survey Open File Reports are available for consultation at 108 Skyline Building, 503 2nd Avenue, Anchorage, Alaska, or 345 Middlefield Road, Menlo Park, California, 94025.

A.J. INDUSTRIES HOLDER SUIT SETTLED

The Wall Street Journal August 5 issue reported that a shareholder suit against A.J. Industries, Inc., and several of its top officers was settled by a compromise agreement. The settlement calls for an extensive reorganization of A.J. Industries management and directors, but awards no financial damages.

Under the agreement, four new directors will be named and Mr. Ver Halen may be appointed chairman of the board at such time as the new board of directors may desire to name a new president.

NEW GOLD PRICE MEETINGS

The Senate Interior Subcommittee on Minerals, Materials and Fuels met with members of the Congress and the Treasury Department to see what can be done to make gold mining profitable for miners. Under Secretary of the Treasury Joseph W. Barr and Under Secretary for Monetary Affairs Frederick L. Deming restated the Treasury position that it would oppose any proposal which might be construed as altering the value of gold which is \$35.00 per troy ounce. They proposed instead a massive federal expenditure on gold exploration and research in processing techniques to see if costs could be reduced. They indicated they would be receptive to proposed legislation to increase depletion allowances. Senator Gruening, Chairman of the Committee plans additional meetings on the matter.

E. AND M.J. METAL MARKET PRICES

	<u>August 30 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.	187 3/4¢	189 1/2¢	160.¢
Nickel, per lb.	79¢	79¢	79¢
Platinum, per oz.	\$97-100	\$97-100	\$87-90

E. AND M.J. METAL MARKET PRICES (Continued)

	<u>August 30</u> <u>1965</u>	<u>Month Ago</u>	<u>Year Ago</u>
Mercury, per flask	\$590-630	\$675-700	\$295-300
Antimony ore, per unit	\$6.00-7.25	\$7.30-7.60	\$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	\$21-24	\$23-26	\$23-26
Tungsten ore, per unit	\$22.75-23.75	\$27.50-28.50	\$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¢

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