

## MINING ON COOK INLET

### Coal Mining

The earliest known published report of coal on Cook Inlet was made by Nathaniel Portlock, an Englishman who first visited the inlet with Captain James Cook in 1778. In 1786 he returned there in command of the King George and spent some time in a bay he named Graham's Harbor. It is today known as Port Graham. Portlock also named Coal Bay, at the entrance to Port Graham, and wrote of it:

"We landed on the west side of the bay, and in walking around it discovered two veins of kennel coal situated near some hills just above the beach, about the middle of the bay, and with very little trouble several pieces were got out of the bank nearly as large as a man's head. . . In the evening we returned on board and I tried some of the coal we had discovered and found it to burn clear and well."

1/

The Russians established a trading station, Alexandrovsk, on Port Graham not long after Portlock sailed away. It was opposite Coal Bay and became known as English Bay. No doubt the Russians soon learned about the coal, and they perhaps made some local use of it, but it was not until after the California gold rush started that they made efforts to mine it commercially. A mining engineer, Peter Doroshin, came out from Russia and examined various coal properties, including the one at Coal Bay, Port Graham. He seems also to have done some development work at this location, but it is uncertain whether he achieved any considerable production. William Healey Dall, who visited the site in 1880, says that under Doroshin's supervision a shipload of coal was taken to San Francisco. <sup>2/</sup> Dall, however, seems not to have known anything about Doroshin's successor.

The successor was a Finnish mining engineer named Enoch Hjalmar Furuhjelm whose brother, Johan Hampus Furuhjelm, was to become the Chief Manager of the Russian-American Company in 1859.

Enoch Furuhjelm arrived at Sitka in April, 1854, by which time Peter Doroshin had returned home to Russia. In the spring of 1855 Furuhjelm went to San Francisco and purchased machinery and equipment for a coal mining operation. This was shipped to Port Graham in the bark Cyane, Captain Kinzie, which had just been purchased by the Russian fur company from the Americans.

The expedition arrived at Coal Bay in July, 1855, and according to Furuhjelm, "With the exception of the wretched Indian village on the other side of the bay, the whole region was uninhabited." 3/

Much of the first year was occupied in construction, but by the following May they were able to load 800 tons of coal aboard a vessel for California.

Wrote Furuhjelm:

"This was the first and last cargo of coal that I sent to California. Owing to the long distance our coal was not competitive with other grades of coal in California, especially as the vessels arrived empty to Alaska to fetch the coal. The Company was again, as usual, too late. In 1850, when the first steamers appeared in California, even the lowest grade coal could have been sold at enormous prices. But during these six years coal supplies had already been gathered from England, Chile and Australia and, as the gold fever had somewhat subsided, coal had been sought for and also found on Vancouver Island, Oregon, and even close to San Francisco. Although these deposits were not as good as ours, they were advantageous owing to the short haul." My current task was to erect buildings, install steam engines, pumps, and a sawmill, start dairy farming, supervise the trapping, etc., and to deliver 2,000 tons of coal for the two Company vessels." 4/

On the Coal Bay project, Furuhjelm reported further:

"In 1859 . . . my report on the four years of work showed that that the village contained a church, twenty various-sized dwellings, a relatively large warehouse, two stables, an engine lathe, a sawmill, a blacksmith's shop, a coal mine, a kitchen, a small foundry, and some sheds; the production of coal amounted to 5,000 tons, and the expedition had eleven head of cattle and two horses. During the next three years that I spent there before leaving the colony in the spring of 1862, much more was built in addition. Thus the so-called Coal Village is the biggest in Alaska with the exception of Sitka and Kodiak and, I dare say, the best and most practically planned." 5/

Furuhjelm became the leading mining authority of Finland in his day and seems to have been favorably known in both scientific and international mining circles. There appears to be no reason to doubt the accuracy of his report on "Coal Village." Nevertheless, the colony seems to have disappeared by the time of the American occupation, and most of the physical plant then or soon afterward.

The United States Revenue Cutter Wayanda, Captain J. W. White, visited the site in 1868, her log for June 4, reporting:

"8:30 a.m. came to anchor off the coal mine (long since abandoned as such, now occupied by an American Fur Co.). Capt. White with several officers visited the post and examined the premises, found the store house and dwellings locked up, in charge of the Chief, Constantine Kal-iv." 6/

William Healey Dall wrote:

"In 1880 I visited the site of the workings and found the tunnel inaccessible from the water which partially filled it and the caving in due to the rotting of the timbering. The works had evidently been of a primitive kind, as there were no permanent buildings and not even a pier for shipping the coal. Only a few pieces of worn-out, rusty machinery and the tunnel in the bluff at the top of the beach remained to show that any work had ever been attempted here. I have seen statements than an extensive stone pier and costly buildings had been erected here and large sums of money lost in the attempt to utilize the coal, but, apart from the intrinsic improbability of such foolish doings, no evidence of the truth of the statements was furnished by the locality itself at that time." 7/

Dall, elsewhere in his text, relates this coal property to Port Chatham, a few miles to the west, but since his chapter heading is "Port Graham" and he refers to Portlock's visit, this is believed to be a clerical error. No coal mining activity is elsewhere reported at Port Chatham.

The fur company mentioned in the Wayanda's log could only have been Hutchinson, Kohl & Co. of San Francisco, predecessor of the Alaska Commercial Company. This firm purchased most of the fur stations and other properties of the Russian-American Company. Hutchinson, Kohl & Co. did not maintain a post at Coal Bay for any length of time, if at all, but did establish one on the western side of Port Graham, near the village of Alexandrovsk. The company may have moved a few buildings to the new site. It is not easy to guess why Dall did not see more remaining evidence of the former village at the time of his 1880 visit, especially since even today traces of it are said to be discernible at the top of the bluff.

There are not known to have been any further attempts to mine coal at Coal Bay, Port Graham, until well after the turn of the century, although in 1871 the Kodiak Customs officer reported that a fur-trading schooner, the General Harney, would take a load of coal from "English Bay" to San Francisco.<sup>8/</sup> This may have been coal left over from Russian days, or it may actually have come from the other side of Kachemak Bay, although no mining operations have been reported there so early.

This other principal coal area on Cook Inlet extends along the shore southward and eastward from Anchor Point. This coal was also known to the Russians, who gave the name Coal Bay to the bight inside what is now known as Homer Spit. They apparently did not make any effort to develop mines there.

What may have been the earliest report of this coal following the American occupation of Alaska came from the Revenue Cutter Wayanda which in June, 1868, dropped anchor in 10 fathoms of water somewhere in the area and probably in Coal Bay. Captain White of the Wayanda called the place "Kenay" and "For Kenay," apparently under the impression that the Army would build its proposed Cook Inlet fort there.

Said the ship's log for June 4:

"2:10 p.m. came to anchor at Kenay in 10 fathoms water. Capt. White with two officers visited the shore to examine the coal, brought several specimens on board."

And on the following day:

"8 a.m. dispatched Lieut. Bailey with Chief Engineer Doyle in launch with party of men to examine the coal veins and bring off specimens.

"2 p.m. Lt. Bailey and party returned with one ton of coal." 9/

William Healey Dall visited this coal area in 1880 while he was with the United States Coast Survey and although he made some notes on the geologic structure, he did not report any mining activity. He did report that some of the coal was used aboard the yacht Lancashire Witch, owned by Sir Thomas Hesketh, which visited there that summer, and that it was pronounced "good," both for steaming purposes and when burned in an open grate. 10/

In 1882 the first Cook Inlet salmon cannery was built, at Kasilof, a few miles up the coast from Anchor Point. Although the cannery used coal, both for its steam tenders and for cooking the canned fish, it seems to have made very limited use of the local supply.

The next visitor of record was Alaska's second governor, Alfred P. Swineford, who was making a cruise aboard the U. S. Navy's Thetis and was on Cook Inlet in June, 1888. It was on June 20 that

" . . . we anchored about two o'clock Sunday morning behind a long point extending from the end of the peninsula, in what is known as Coal Harbor. There is no settlement at this point and my only object in stopping was to examine the coal seams said to exist there, and which were originally discovered by the first navigators as early as 1786. After breakfast I went ashore with some of the ship's officers and had no difficulty in finding the veins."

10/

Later that same year San Francisco businessmen began to take an interest in the coal potential of the region and on August 3 the steamer South Coast left that port for Cook Inlet, carrying five men "who are experts in coal mining." <sup>12/</sup> One of the five, a man named Vehring, was said to have previously been on the ground and to have located nine coal veins. This may have been the start of operations of the Alaska Coal Company which, under the local management of J. A. Bradley, developed several coal claims. <sup>13/</sup>

Late in the same year there was another Alaska coal report from San Francisco:

"J. T. Dowell, of Pennsylvania, who for two years past has been mining in Alaska, arrived in San Francisco the other day from Prince William Sound. He brought 75 tons of bituminous lignite coal with him from a mine he has opened on Cook's Inlet. He is now testing the coal to find just what quality it is, although he says that it is superior to any yet found on the coast."

14/

Further development was reported in 1890:

"A new mining district has been organized in Western Alaska, to be known as 'The Cleveland Mining District' and to include the whole of Kenai Peninsula. The recorder elected for the first year was John G. Kopp. The object of the organization is to locate and develop a number of coal claims situated near Coal Point."

15/

William Healey Dall again visited the coal fields in the vicinity of what is now known as Homer Spit in 1895, when he was in the employ of the U. S. Geological Survey. He named the first coal seam eastward of the spit "the Bradley seam" for J. A. Bradley, and reported:

"For the use of the small steam tug Kodat, upon which we were traveling, our party broke out about 15 tons of this coal with crowbars, and we depended upon it entirely for steam purposes and galley fuel during the rest of the voyage to the Shumagins."

16/

From McNeil Canyon, next eastward of the Bradley seam, according to Dall:

"In 1891, Lieut. R. P. Schwerin, U.S.N., on behalf of New York parties, prospected for coal, and took out 200 tons of it, which was taken to San Francisco and in September, 1891, was submitted to a series of tests. This expedition left no permanent works or buildings."

17/

Dall found the greatest activity, at the time of his 1895 visit, farther eastward along Kachemak Bay, at Eastland Canyon, where M. B. Curtis was the engineer in charge:

"A small tramway leads back several hundred yards into the canyon, and at a height of 270 feet above the tide we found a vein 2 feet 4 inches thick of clear coal . . . These explorations were begun in December, 1894, by the North Pacific Mining and Transportation Company. . . About 300 tons had been taken out and sent to San Francisco for trial, and another cargo was to be shipped shortly after our visit."

18/

Dall was later informed that the company had made a second shipment which brought total production of the mine to 650 tons. 19/ In addition to the tramway, some buildings and a wharf at Eastland Canyon, the company owned some lighters and claimed a portion of what is now Homer Spit, most likely for shipping purposes. According to information gathered by Dall,

the North Pacific Mining and Transportation Company and the Alaska Coal Company together had expended a total of \$92,000 on development work by the end of 1895. 20/ So far as can be learned, neither company carried on any further operations in Alaska.

It was apparently in connection with one of these coal mining operations that Cook Inlet's first post office was established, or at least authorized. The application for the post office was filed by Freeman H. Curtis, and on October 26, 1895, he was named postmaster of the office of Seward. Whether the office actually functioned under that name is not known -- there was a name conflict because "Seward" had already been appropriated by a mining camp in Southeastern Alaska -- but the office did become "Homer" the following year. 21/

The next coal mining development on Cook Inlet was chronicled in a series of news stories in "The Alaskan," a weekly paper published at Sitka, commencing on June 10, 1899:

"The coal mines at Homer have now come into the possession of a company known as The Cook Inlet Coal Fields Company, composed mostly of members of the Standard Oil Company which is backing the enterprise.

"The Standard Oil Company has acquired the old Russian title [sic] to these coal fields, and also a mineral land grant from the United States government to the same, and is prepared to develop them on a large scale. They have already placed \$125,000 at the disposal of the manager of the coal company, who has purchased 26 carloads of machinery, which is now on its way to the mines.

"Mr. Alfred Ray is manager of the company with headquarters at Seattle. He is now there purchasing supplies and engaging coal miners. Col. L. J. Woodbridge of Hartford, Conn., the superintendent of the company; Mr. G. E. Jamme of Pittsburgh, the civil engineer, and Mr. W. S. Williams, the coal expert, also of Pittsburgh, passed through Sitka on the Dora a few days ago for the coal fields to do preliminary work. . . .

"The Dora and Excelsior carried a large amount of machinery for the mines and the next boat westward will carry 40 to 50 men, besides another consignment of machinery and tools. The engineers and their assistants will complete surveys already partially made and make other surveys for wharves and a railroad and sites for buildings. A railroad 5 miles long will be built from the principal mine to a wharf at Kachemak Bay, where large vessels can land. A contract for one wharf has already been let, and as soon as plans can be made, contracts will be let for building stores, boarding houses and residences.

"The Standard Oil Company is also prospecting for oil on the Kenai and believe they will find good oil wells there in the near future."

22/

On May 19, 1900:

"Among the passengers on the Bertha was E. T. Morgan, bound for Cook Inlet as manager of the Cook Inlet Coal Fields Company. The company has a wharf 300 feet long and 50 feet wide, and Morgan will direct the building of a railroad six miles long to connect the wharf and the mine. He has with him a yoke of oxen to be used for logging and other heavy work."

23/

On August 18, 1900:

"The Bertha, Captain Johansen, was in port on the 15th northbound and loaded to the guards with cargo. Some of her heaviest freight was four car loads of rails for the Cook Inlet Coal Fields Company. This is the third lot of rails that has gone up for them."

24/

On November 17, 1900:

"The Homer coal mines have shut down for the winter, after completing a large amount of work. Early next spring the railroad will be completed and the shipment of coal will commence."

25/

The accomplishments of this company were summarized by Ralph W. Stone of the U. S. Geological Survey in 1904:

"Since 1899 the Cook Inlet Coal Fields Company has held possession of the most desirable part of the coals field on the north shore of Kachemak Bay. This is the portion which lies to the west and within 3 miles of the base of the long spit known as Coal Point.

"Under the management of this company a large dock was built on the east side of Coal Point, where there is protected anchorage. A 42-inch gage railroad was constructed from the dock along the spit to the mainland, where it rises to the top of the bluff about 200 feet above the beach, and ends at Coal Creek. Two shafts were started and three tunnels were driven on a  $6\frac{1}{2}$ -foot coal seam which outcrops in the sea bluff between Cooper and Coal Creeks. Underground work was begun in the fall of 1899 by driving the first of these shafts, which is known as the Kirsopp slope, because it was excavated under the direction of John Kirsopp, an English mining engineer. This shaft had three compartments and was carried 125 feet, when it was discovered that the slope of the shaft was so nearly parallel with the dip of the coal that it would have to be driven nearly 1,800 feet to reach the coal. In 1900 tunnel No. 1 was driven in the face of the bluff on a seam of coal  $6\frac{1}{2}$  feet thick. It proved to be very wet and was abandoned. Tunnel No. 2, on the same seam, was driven 350 feet and had to be pumped to keep it dry. Coal was brought to the mouth of the tunnel in mine cars, dumped into a skip, and hoisted over the bluff by a square-framed derrick which spilled into a railroad car standing on the spur track. At the west end of the railroad a vertical 3-compartment

shaft, known as the Morgan shaft and contemporaneous with tunnel No. 1, was sunk over 25 feet, and a tunnel was started on coal in the sea bluff near Coal Creek to connect with the shaft. This third, or Ray, tunnel was driven 125 feet when work at that end of the field was discontinued and efforts were concentrated on getting out coal from tunnel No. 2.

"During the winter of 1901-02 the mail steamer Discovery was supplied continuously with fuel and other vessels occasionally. All work on this property ceased in March, 1902, but the company holds possession by retaining a representative on the ground. No money or effort is being expended, in keeping the railroad or mine tunnels in repair. Eight buildings at the mine camp and 20 on Coal Point at Homer, which was the company's headquarters, are in good condition." 26/

The watchman mentioned above was probably not long maintained by the company, and no reports have been found of mining operations in the Homer-Anchor Point area between 1902 and 1916. There probably was some small-scale digging of coal during that period, and local steamboats, householders and probably some of the salmon canneries used such coal as had already been mined by the coal company or that they could themselves dig out of the hillsides or pick off the beaches.

In 1916, according to the U. S. Geological Survey, Alaska coal production "included the Bluff Point mine on Cook Inlet."<sup>27/</sup> Bluff Point is approximately midway between Anchor Point and Coal Point in the Homer area. In 1917 the Survey reported, "The lignite fields on Cook Inlet rank next to the Matanuska coal fields in point of [Alaska] production for 1917. A considerable quantity of lignite that was mined near Bluff Point was shipped to towns on Cook Inlet for local consumption." 28/ The report for 1918 contained the same information for that year. 29/

Much of the coal production reported by the Geological Survey above was delivered to the customers by the small steamboat Tyonic, owned by the firm of McNally & Maitland, and points of delivery included Anchorage. Shipments were sometimes hindered by weather, since Bluff Point is without a harbor and is much exposed to storms. An Anchorage news story in October, 1918, reported that the Tyonic had arrived from down-inlet "but because of bad weather did not bring Bluff Point coal." <sup>30/</sup> That year, 1918, was the last in which coal deliveries to Anchorage from Bluff Point were reported in the Anchorage press and it is presumed that the Matanuska fields, which by then had undergone substantial development, had captured the market.

In the meantime, there was at least some activity around the old Russian coal workings at Coal Bay, Port Graham. In the fall of 1913 a Seward newspaper reported:

"W. G. Whorf, the Port Graham coal and cannery man, proposes to build coal bunkers to hold 1,000 tons of coal. Construction will be carried on this winter. A shaft 125 feet deep, located some distance from the former workings of the mine, has revealed two 10-foot veins of coal, one at a depth of 85 feet, the other 55 feet below this. Whorf says he now has more orders than he can fill." <sup>31/</sup>

Whether the bunkers were actually built is not known, but the following June the paper reported:

"W. G. Whorf has been awarded a contract to supply the government with coal from his mine at Port Graham for use during construction of the railroad." <sup>32/</sup>

That same fall, however, there was a legal notice that "the Port Graham Coal Company" had been reorganized, that Whorf was no longer an officer of the corporation, and that communications should be sent to a Seattle address. <sup>33/</sup> The only other information discovered about this

property came in the 1918 bulletin of the Geological Survey, which said,  
"It is reported that some coal was mined at Port Graham." 34/

Gold Mining

On January 24, 1848, an American carpenter and millwright named James W. Marshall discovered gold on the South Fork of the American River in California. This touched off a search for gold in many parts of the West, including Alaska. The first place in Alaska where there was an active search for gold by a trained prospector, so far as history discloses, was on Cook Inlet. It began there in 1849 with the arrival from Russia of a mining engineer named Peter Doroshin. The historian, Frank A. Golder, tells of Doroshin's work there:

"He reached Cook Inlet late that year (1849) but not too late to wash out a few pans of sand and find a few colors. He took up the work in 1850 and commenced prospecting in earnest on the Kenai Peninsula near the mouth of the Kaknu River. He had all told twelve men to assist him and the number of working days for that season was not more than forty-nine; so that under the circumstances he could not have been expected to accomplish a great deal. He reported that everywhere he dug he found colors. He returned in 1851 with the intention of going up the Kaknu and two other streams for the purpose of tracing the deposits to their source. Although he put in sixty-six days in his investigations he could not reach the mountains where he hoped to locate the mineral veins. In his report he states that the farther up he went the larger were the grains of gold, but nowhere was it in paying quantities. He should have liked to continue his researches for another year or two had the company been willing."

35/

"The company" was the Russian-American Company, by which Doroshin was employed, and it was unwilling to have him spend more time on prospecting for gold. In 1852 he went to work on developing a coal property on Port Graham, Cook Inlet, and two years later he returned to Russia.

The next prospecting trip on Kenai Peninsula of which a report has been found was made by United States soldiers in 1869, the summer the Army established Fort Kenay at the mouth of the Kaknu River, a stream today known as the Kenai. In a letter dated at Fort Kenay on October 3, 1869, addressed to the newspaper at Sitka, Ivan Petroff of Battery F, 2nd U. S. Artillery, wrote that on August 16 he and two other soldiers, with fifteen day's rations, had started up the river in a three-hole bidarka. After three days they found the channel blocked by rocks and set out on foot. On August 22 they camped in a large basin, got six pans of dirt from the river and from them panned about \$1.50. The bar from which the pay dirt was taken was about 75 or 80 miles from the mouth of the river. 36/

Dirt that ran 25¢ to the pan was almost bound to attract other prospectors, but gold in paying quantity continued elusive. Vladimir Stafieff, an Alaska Commercial Company employee at Fort Kenay, in a letter dated June 1, 1870, mentioned that "our gold-digging soldiers came back without having found anything." 37/

Others seem to have been more successful in finding gold, if not in keeping it, if we can rely upon information from the deputy Collector of Customs at Kodiak. In a letter dated May 31, 1876, he wrote:

"The survivors of the party heretofore mining at Kenai arrived here by the Eudora, intending to go to San Francisco (as I learn) for implements & provisions by first vessel. They are by no means communicative but I think must have done well. One of their party started last Oct. in a bidarka (alone), for this place, having \$4,000 with which to buy provisions. He has not been seen or heard of since time of his starting to cross Cooks Inlet. As the night on which he would have been crossing the inlet was very stormy, he must have swamped his transport and was drowned. The bidarka was a poor one, three-holed, which he patched with common thread and covered 2 holes with muslin. Had outriggers and usual sculls to propel her." 38/

A persistent early-day American prospector who worked in several areas of Alaska was a man named C. G. Holt or, more frequently, as George Holt. He is reputed to have been the first white man to cross Chilkoot Pass to the headwaters of the Yukon River. That trail-blazing exploit apparently took place in 1875. <sup>39/</sup> The following year Holt, having recrossed the pass, journeyed from Sitka to Kenai. These entries appear in the station log of the Kenai station of the Alaska Commercial Company in the late summer of 1876:

"August 25, 1876 - Today two bydarkas with five men started for the Skelal Mountain, a distance of 70 or 80 miles up the Kenay River to prospect for gold."

"August 30, 1876 - At 5 p.m. the party that left here on the 25th returned, having met the party which left here some two months ago. They found gold in several places in the Kenay River but not enough to pay."

"September 9, 1876 - Holt and Clark, the two miners who went up the river about three months ago arrived here today." 40/

Later in the year Major Montgomery P. Berry, the U. S. Collector of Customs at Sitka, who had perhaps grubstaked Holt and his partner, Clark, received a letter from Holt which he gave to the Sitka newspaper. The news story said:

"Major Berry, Collector of Customs, has received a letter from G. Holt, an old California miner. Dated at Kenai on Sept. 10, 1876: 'I came down the river last night. Shirpsner & Co. schooner leaves today for Kodiak. I have put in the summer faithfully and have found nothing that would pay over \$2 a day. I will go up the Suchitna River in the spring and should I not succeed, then I am done prospecting for gold in Alaska.'" 41/

The two prospectors did not, however, wait until spring to start out anew; the station log of the Kenai station contains this entry:

"September 14, 1876 - Hold (sic) & Clark, the two men who have been prospecting the Kenay and Skilat Rivers for gold started today for Souchitna River." 42/

Apparently Holt did not "succeed" on the Susitna; a year or so later he went to work for the Alaska Commercial Company as a station agent. He was serving in that capacity at the Knik station, at the head of Knik Arm, on December 18, 1885, when he was shot and killed by an Indian customer, apparently after an argument over a plug of tobacco. 43/

During the decade or such a matter that followed George Holt's 1876 prospecting trip to the Susitna, there was little news of gold prospecting around Cook Inlet or elsewhere in Alaska. This was not, apparently, so much because there was no prospecting as because of the lack of a newspaper anywhere in Alaska to report such happenings: during approximately sixteen of Alaska's first eighteen years under the American flag, there was no newspaper published within its boundaries. It was only after "The Alaskan" was founded at Sitka in November, 1885, that word of Alaska prospecting ventures again appeared in print.

In 1886 the Kodiak correspondent of "The Alaskan" reported:

"On the 14th of April a party of six prospectors arrived here on the schooner Elsie Iverson, enroute to Cook's Inlet. Bad weather and ice in the Inlet detained them here until the 1st of May and they have probably not yet been able to ascend the Kenai River, their objective point. Among them are Bill Moore and Cooper, well known in Southeastern Alaska; a Mr. McCord from British Columbia, and some Montana miners. Cooper was on the Inlet in 1883 and claims to have found paying placers." 44/

Later that same year the same correspondent reported that "All our prospectors on Cook's Inlet and in the Alaska Peninsula and Bristol Bay region have been unsuccessful this year." 45/

On May 7, 1887, "The Alaskan" said that J. W. Cooper and a party of about twenty others would spend the summer on Cook Inlet "prospecting for gold, coal, and other minerals generally." 46/

This expedition was apparently no more successful than earlier ones had been. On September 8, 1887, "The Alaskan's" Kodiak correspondent wrote:

"Considerable prospecting has been done in this section during the summer, but as far as known, without success. C. P. Shell and a partner, who formerly mined on the Stewart River, have explored the Sushetno River, Cook's Inlet, in wain, and washed out about a dollar's worth of dust in Beluga Creek where the murdered man, Holt, first found gold. A prospecting party under the leadership of Cooper have met with failure.

"The schooner Spencer F. Baird has made an extensive trading and prospecting cruise in this section. The men on board of her express more confidence in Cook's Inlet as a mineral country than any other region they saw." 47/

It seems to have taken the prospectors a good many years to work their way around from the Kenai River and its drainage to the north or Turnagain Arm side of Kenai Peninsula, where gold was eventually found in paying quantities. Fred H. Moffit of the U. S. Geological Survey was able to gather, about 1904, this information:

"It is said that gold was found near Hope about the year 1888 by a man named King, and that the first claim was soon afterward located on Resurrection Creek, 2 miles above Hope, by Charles Miller. . . Gold was found near by, on Bear Creek, in 1894, by George Beady, F. R. Walcott, and ---- Riley. This stream is said to have been worked by the Russians, but if this be true such operations must have taken place later than the time of Doroshin, for he expressly states that the streams prospected by him were tributary to what is now known as Kenai River.

"Gold was found on Palmer Creek by George Pal<sup>m</sup>er in 1894. These discoveries naturally led to prospecting on neighboring streams, and in the following year (1895) the first stakes were driven on Mills Creek by S. J. Mills, whose name it bears. Mr. Mills at the same time staked ground at the forks of Sixmile Creek (also named by him), which has been worked with profit to the present time, but the ground on Mills Creek was regarded with so little favor by Mills's partner, for whom it was staked, was so far from supplies, and so difficult to reach, that no attempt was made to work it, nor was the claim recorded. Some time during the following month (July, 1895) coarse gold was found on Mills Creek by Robert Michaelson and John Renner, old Yukon miners, who had been prospecting for quartz ledges in the mountains east of Canyon Creek without success and were returning to Hope. These

two men, together with three others -- Albert Brown, W. W. Price, and H. C. Pierce -- staked ground on Mills Creek, July 29, and formed a company known as the Polly Mining Company. Their claims included all the stream between the mouth and Juneau Creek, and have since proved to be among the most valuable properties in the Turnagain field.

"In July, 1895, an assembly of miners from streams in the Sixmile drainage basin formed the Sunrise mining district and elected a local recorder. This recording precinct was distinct from the older Turnagain Arm district, which included the Resurrection Creek drainage system and, later, the creeks north of the arm. The two precincts were afterwards united, and recently, much against the desires and convenience of those most interested, the books of the recorder were removed to Seward, where they now are. Other discoveries of gold were made in the Sunrise district during the same year (1895), notably that on Lynx Creek by Fred Smith and W. P. Powers. North of the arm the first gold was found (in 1895) by F. J. Perry and Christopher Spillum, on California Creek.

"The discoveries on Mills and Canyon creeks brought about during the following season (1896) the first considerable rush of prospectors to this field. Several thousand men, some state the number as high as 3,000, are said to have landed at Tyonok en route for Turnagain Arm and Sushitna River, while a considerable number crossed by way of Portage Glacier from Prince William Sound. This was the banner year on Canyon Creek, 327 men being engaged in mining its gravels during the summer. Crow Creek, tributary to Glacier Creek, was also staked about this time, but did not produce any gold till two years later. A second rush into the Turnagain Arm field took place in 1898. This was partly an overflow from the Yukon stampede and was not entirely due to the successes on Resurrection and Sixmile Creeks.

"A majority of the men who first entered the field (1894-95), as well as a few of those who took part in the stampedes of 1896 and 1898, were experienced miners. Many of them had spent years in southeastern Alaska or the Yukon country and nearly all had mined in the placer fields of the West. On the other hand, most of the later comers were inexperienced in any kind of mining and many were scarcely able to take care of themselves. Thousands of dollars worth of useless machinery and supplies are said to have been landed at Tyonok for transfer to the arm, only to be abandoned or given away. Several expeditions spent months in hauling cumbersome and unsuitable outfits through an unknown wilderness to localities which none of their members had ever visited and possibly never had heard of till they reached Alaska. Expensive hydraulic plants were established for the treatment of gravels that had never been prospected. It is doubtful if there is any other part of Alaska where time and money have been wasted

in a more enthusiastically ignorant manner or concerning which stockholders in mining companies have been more utterly misled than some places on the Kenai Peninsula. The field did not justify the presence of any such numbers as came, and disappointment was the only result possible for most of them. Such conditions would produce a feeling of distrust in the minds of those who had money to invest in mining enterprises, and hinder, in a serious way, the development of a field, many parts of which have since been worked with profit, and which without doubt still contains valuable gold deposits. 48/

Placer gold production for the Kenai Peninsula has been reported as \$50,000 in 1895, \$120,000 in 1896, \$175,000 in 1897, \$150,000 in each 1898 and 1899, and \$135,000 in 1900, a total of \$780,000 for the six years that closed the 19th century. 49/

The stampeders who headed for the gold diggings on Turnagain Arm in the years 1895 - 1896 used two principal routes. One was by way of Passage Canal, a branch of Prince William Sound, where the port of Whittier is today. From the head of the canal the miners climbed over the mountains and a glacier to reach tidewater again at the head of Turnagain Arm, then traveled along the shores of the arm to reach Sixmile Creek and Resurrection Creek on the south side or Glacier Creek on the north shore. It was never an easy route and at times it was a hazardous one. It was also useless for the transporting of any quantity of goods. It could, however, be used early in the spring and late in the fall when Cook Inlet was ice-bound, and many of the steamboat captains preferred it -- by putting the stampeders ashore at Passage Canal the captains were able to avoid the strong tides and the sand bars of Cook Inlet.

The other route traversed the length of Cook Inlet and a portion of Turnagain Arm, one of the inlet's two northern branches. The larger ocean-going vessels, both steam and sail, which used this route did so by

transferring their cargoes and passengers to smaller local boats for the final stage of the journey, the Turnagain Arm section. Many small steamers, sloops and schooners were able to proceed directly to the mouths of Sixmile Creek and Resurrection Creek, the two principal gold-bearing streams in the area. When there was a transfer of passengers and cargo, it was usually made near Tyonek or at Fire Island, but sometimes as far south as the Forelands or even near Homer Spit.

The gold rush to Turnagain Arm generated by far the greatest marine traffic Cook Inlet had ever seen, but it is difficult today to judge its full extent. There was no Customs Office anywhere on the inlet then, and no record has been discovered that shows either the arrivals and departures of individual vessels in the trade or the total tonnage of shipping involved in it. What information is available on the marine traffic is in bits and fragments and found largely in the columns of newspapers published at Sitka and Juneau -- each approximately 600 miles from the center of the activity -- the only newspapers then being published in Alaska. At best, these bits give an indication of the traffic rather than the whole picture of it.

The following Cook Inlet news items appeared in "The Alaskan," published at Sitka, on the dates indicated:

"The schooner Crystal, Captain Larson, from Tacoma and bound for Cook Inlet, arrived at Sitka last Saturday. In addition to Captain Larson there are four other hopeful gold-seekers aboard." (June 6, 1895)

"J. A. Becker has received a letter from his brother, Ryland Becker, who went to Cook Inlet in the schooner Helen last spring. Ryland has found little gold." (August 3, 1895)

"Five schooners are in port at the mouth of Resurrection Creek, a place called by some 'Resurrection City'." (Undated letter from a miner at Turnagain Arm, published August 10, 1895)

"The Marion, a barkentine from below, was at Wood Island on the 1st of the month, having come down from Cook Inlet bringing a cargo of coal. It returned to the inlet on the 9th taking Mr. Creason and Mr. Archer, storekeepers for the Alaska Commercial Company, from Kodiak. This is the ship advertised to be at Sitka between the 25th of June and the 1st of July to take miners to the Westward, but getting no encouragement, abandoned the design. Toward the close of the season she will take a cargo of freight and passengers and sail below." (August 17, 1895)

"The schooner Ellida arrived at Sitka yesterday. She left Turnagain Arm on July 12, reached Kodiak July 27, and on the 28th started for the Sound but encountered a heavy storm and after battling it for eight days, changed her course for Sitka. Several months ago this schooner left here loaded with prospectors for the Inlet, all of whom are returning as fast as possible, disgusted with that section." (August 17, 1895)

"Kodiak, August 20: Schooners have been coming down from Cook's Inlet occasionally. A few miners arrive on every vessel. They do not bring any good mining news from that camp." (August 31, 1895)

"The schooner Alice, A. Fillmore, master, arrived here on Thursday, four days out of Kodiak, and is alongside Otto Nelson's wharf discharging Cook Inlet coal." (September 21, 1895)

"The Alice, Captain Fillmore, is a vessel of 8 tons, eight months old, but at Vashon Island, Washington. Capt. Fillmore reports all well on Cook Inlet, and excellent prospects. Gold is everywhere plentiful, but a man must be able to 'put his shoulder to the wheel' figuratively, and literally to the boulders and rocks." (September 28, 1895)

During the same year, 1895, a weekly newspaper published at Juneau,

"The Alaska Searchlight," carried these Cook Inlet news items:

"The schooner North returned to Juneau yesterday morning from Cook Inlet, bringing down a number of prospectors who have concluded the Turnagain Arm area has nothing for them. The North sailed from the Arm on July 2." (July 27, 1895)

"The schooner Crystal returned to Seattle from Cook Inlet on July 17." (August 3, 1895)

"About 3 a.m. on September 19 the sloop Helga Carolina arrived from Turnagain Arm, from which she sailed September 2. She carried 13 passengers. When she sailed, the Helen of Sitka was the only vessel left there. The Elwood, looked for on September 1, had not yet arrived." (September 21, 1895)

"B. C. Pilscher, formerly of Juneau, has been picked up at Yakutat by the steamer Dora. Pilscher was a passenger on the schooner Crystal which was wrecked sixteen miles from Yakutat on September 27. Pilscher left Juneau on May 17 for Cook Inlet aboard the steamer Chehalis. The steamer was under charter to George Beede of Seattle and made two trips to Cook Inlet." (November 2, 1895)

In 1896 "The Alaskan" at Sitka carried the following news items, on the dates indicated, concerning Cook Inlet shipping:

"Deputy Collector of Customs Joseph C. Lane, at Kodiak, has recommended that a Customs House be established at Tyonek on Cook Inlet and an inspector be placed on the inlet." (January 11, 1896)

"On April 24 and May 8 the Alaska Commercial Company steamer Bertha, Captain J. M. Hays, will sail from Sitka for Cook Inlet, landing passengers at Tyoonock. Fares are \$25 for cabin passengers and \$15 for steerage passengers. Freight from Sitka to Tyoonock is \$10 per ton." (February 15, 1896)

"The steamer Lakme called at Sitka on April 9 and the steamer Utopia on April 10, both bound for Cook Inlet. (April 11, 1896)

"The Bertha sailed for Tyonek and Kodiak last Saturday with 28 cabin and 92 steerage passengers." (May 2, 1896)

"From 'Tacoma Weekly Union' (no date): 'The brigantine Blakely has started north with a full load of freight and 100 men for Turnagain Arm. It was necessary for the Blakely to get a special permit to go direct to Cook Inlet and this was obtained from Deputy Collector Drum.'" (May 2, 1896)

"From Special Correspondent, Kodiak: Two schooners put into Kodiak on April 25 with a large number of miners and prospectors for Cook Inlet." (May 9, 1896)

"Western Notes (reported by the Purser of the Bertha):

"When the Bertha left Sitka on April 25 for Tyonek via Kodiak she had aboard 120 passengers. Kodiak was reached on the 1st and Tyonek on the 4th.

"The schooner Albion from San Francisco for Turnagain Arm passed Tyonek on the morning of the 3rd, having aboard about 130 miners.

"On the Bertha's return trip, she stopped at Coal Bay, at which port several vessels had already arrived. On the 28th of April the George W. Prescott touched there with miners.

"On May 1, the steam schooner Loyal reached Six-Mile Creek and discharged freight and passengers. It is reported that the Utopia is high and dry at Resurrection Creek and unlikely to get off until the spring tide at the end of May." (May 30, 1896)

"The Dora came in Thursday with about 70 passengers returning from Cook Inlet. The reason for the exodus is principally the crowded state of affairs there." (July 4, 1896)

"The steamer Excelsior, under charter to the Alaska Commercial Co., arrived at Sitka last Tuesday from Cook Inlet with 116 miners and prospectors aboard. The small steamer L. J. Perry carried passengers from Resurrection Creek to the anchorage at Fire Island, taking one load from Resurrection Creek and another from Six-Mile Creek." (September 26, 1896)

"On April 16, six men left Nanaimo on the schooner Boss for Cook Inlet, Alaska. They sailed to Resurrection Creek where the schooner was left high and dry by the outgoing tide. They prospected, found nothing, and have sailed back to Nanaimo." (From "The Nanaimo Free Press" [no date], October 10, 1896.)

"A total of 246 miners and prospectors have returned from Cook Inlet on the steamer Excelsior. (October 17, 1896)

During 1896 "The Alaska Searchlight" at Juneau had these Cook Inlet news items:

"The schooner Loyal arrived at Juneau today from Cook Inlet." (August 6) "The Loyal sailed for Cook Inlet on the 12th with a full load of merchandise." (August 15, 1896)

"These vessels were reported at or near Anchor Point, Cook Inlet, last spring, waiting for the ice to go out so they could get up to Turnagain Arm:

"Steamer Lakme, with 225 passengers; steamer Utopia.

"Schooners Stella Erland, W. J. Bryant, Ella Johnson and Marie, all of which left Coal Bay on May 1, bound up the inlet.

"The steamer L. J. Perry was at Turnagain Arm in July and carried passengers from there to Tyonek where they boarded the barkentine Marion for Sitka." (August 29, 1896)

Not many Cook Inlet gold rush experiences have been published, but Mrs. Dalla Murray Banks wrote hers and in later years published them, along with other Alaska experiences, as a four-part serial in "The Alaska Sportsman," a monthly magazine. Most of the Cook Inlet material is in the October, 1945, issue (Vol. XI, No. 10) from which these extracts are taken:

"The old Homer, the Homer I knew in 1895, was one log house, two tumbledown shacks, and the galley of some ill-fated ship, clustered haphazardly at the outer end of the long spit which juts out from the bluff into the bay." (p. 10)

"Homer didn't have a name on the first day of April, 1896. In making application for a post office we had to have a name. With the rest, I voted for the name 'Homer' in honor of Homer Pennock, the mining promoter and manager of the Alaska Gold Mining Company, with which we were associated." (p. 10)

"We came north on the Excelsior, which Pennock had chartered." (p. 11)

"A coal mine was being worked at McNeill Canyon." (p. 37)

"Most of the 75 men who came north on the Excelsior with us returned south on the same ship a week later." (p. 37)

"Before the middle of May, the Lakme and Utopia arrived with 400 men headed for Turnagain Arm. The captain of the Utopia was ill with appendicitis. One of the men on the Lakme was 'Soapy' Smith, who went back south on the same boat and later went to Skagway." (p. 38)

"The L. J. Perry took a crowd for the Arm, and small dories, built on the spit, each took away its little group. . . The L. J. Perry, with Austin Lathrop as purser and part owner, was, I imagine, the basis of one of Alaska's home-grown fortunes. The little steamer schooner seemed to wander rather aimlessly up and down the Inlet, always welcome and "Cap' always obliging and friendly." (p. 39)

"Pennock went south early in May on the Dora. The General Canby, a tugboat he had bought, arrived about the same time. She had been remodeled to carry both freight and passengers, although little could be said for the accommodations." (p. 39)

"The Canby took a crew of men up to Anchor Point, about 25 miles up the Inlet, where houses were to be built and placer-mining operations started along the beach sands. Another crew went to Snug Harbor, across the Inlet, while a third went up to Resurrection Creek in Turnagain Arm." (p. 40)

"The Canby came down from Anchor Point and I learned that she was going up to Hope, the new town on Resurrection Creek." (p. 40)

"The men had dug a ditch at [Anchor] Point to bring water from a small lake for washing the beach sand and gravel. They tried out a sluice box as an experiment, and I heard they got about eighteen dollars in gold dust in two hours of work. Their greatest difficulty was the tide. Twice each twenty-four hours, at high tide, the water lapped the foot of the twenty-foot bluff, a rise and fall of twenty-five feet. After the sluice boxes had been washed away once or twice, they learned that twice daily the boxes had to be lifted up on the bluff and replaced as the tide ebbed.

"This work left little time, comparatively, for the actual handling of the beach sand, since boulders had to be moved first, and soon after they were ready to shovel sand, the returning tide stopped work again. They could work three shifts a day, since it was always daylight. The beach gold was very light and difficult to handle. They used quicksilver to amalgamate it." (p. 43)

Mrs. Banks does not report the total gold recovery of the crew at Anchor Point, but like most of the Cook Inlet gold-seekers, she and her husband gained little wealth there.

Neither of the two early routes to the Turnagain Arm gold camps was wholly satisfactory to the people who used them. The all-water route via Cook Inlet was closed by ice in winter and presented navigational hazards at other times. The overland crossing from Passage Canal required a climb of at least 1,000 feet, the traverse of some five miles of glacier and, in winter, was hazardous if not impassable because of the depth of snow.

At an early date, therefore, the miners and prospectors began to mark out a third route, one that could be used the year around and that avoided some of the difficulties of the other two. Accordingly, in September, 1898, Lieut. H. G. Learnerd, a member of an Army exploring expedition, found that "according to the latest reports at Sunrise City, a pack trail has been cut from that place to the foot of Lake Kenai, and from the head of Lake Kenai a wagon road has been constructed to the head of Resurrection Bay." 50/

Barges or boats were used on the lake to connect the road and the pack trail, and this overland route was pretty much the one used by the Alaska Central Railroad when it came to the Kenai Peninsula after the turn of the century.

The Portage Bay route was still much used, however, and Learnerd, after crossing the glacier, reported that "at Quartz Creek on Turnagain"<sup>A</sup>(now known as Ingram Creek) he found about 200 miners who had also crossed the glacier, "all bound for Sunrise City." 51/

That same year another Army man, Lieut. J. C. Castner, 4th Infantry, reported that he and his party, starting from the present site of Whittier, "crossed five miles of glacier to the head of Turnagain Arm." Castner and his men visited what he called "Quartz Camp." This seems to have been the same place visited earlier in the year by Learnerd, at the mouth of what was then called Quartz Creek. Castner wrote that Quartz Camp "consisted of about 400 miners" and also reported that "at Sunrise on Sixmile Creek I found many houses and stores. The population is estimated at 800." 52/

Despite its utility for year-round travel, the third route to Turnagain Arm, via Resurrection Bay and Kenai Lake, would have been an expensive one for the transportation of any quantity of freight and it was likely little used for that purpose until the building of the Alaska Central Railroad. <sup>F</sup> The all-water route via Cook Inlet, with all of its drawbacks, continued for many years to be the most economical route for cargo, both for Turnagain Arm and for much of the hinterland.

The richest of the gold-bearing gravels of the Cook Inlet region had been worked over by 1900, but placer mining continued, on a diminishing scale, for many years. This work was largely on streams flowing into Turnagain Arm, both from the north and from the Kenai Peninsula side of the arm, but there was also some placer mining on the Kenai River drainage.

Of necessity the picks and shovels of the pioneer miners gave way to hydraulic giants which could move more gravel in a shorter time. The giants in turn required dams to store water and flumes to carry it to the operations site. These things required capital and the better-financed operators generally gained control of the mining ground.

In 1905 a small dredge was erected on Resurrection Creek, which was the earliest producer of gold in paying quantities in the region. The dredge did not, however, prove successful, apparently because the gravels were shallow and there were many large boulders. <sup>53/</sup> Another dredge was installed by the Kenai Dredging Co. on the Kenai River just below the mouth of Cooper Creek. This began operating in 1912, reportedly with fair success, although continuing reports on it have not been found. <sup>54/</sup>

The first six years of placer mining in this district -- 1895 to 1900, inclusive -- produced \$780,000 in gold. The six years 1901-1906 produced \$543,000 and the next six years only \$170,000. During the next 18 years production ranged from \$8,000 to \$70,000 annually. Total placer gold produced in the district from 1895 through 1930, according to the U. S. Geological Survey, was \$1,993,500. <sup>55/</sup>

In addition to its placer gold production, the Kenai Peninsula region had some lode mining of gold. This was scattered in three main localities: the Girdwood area, north of Turnagain Arm; the area south of Hope and Sunrise, extending as far as Moose Pass; and the Nuka Bay area on the coast west of Seward. The latter is removed from Cook Inlet, but production for it is lumped with that of the other two in U. S. Geological Survey reports.

No lode gold production is reported for the region prior to 1911, in which year it was \$8,526. <sup>56/</sup> By that year the Alaska Central Railroad had a good deal of track laid north from Seward and between the railroad and pack trails most of the lode mines were supplied by that route rather than by Cook Inlet water transportation.

No large lode mines were ever developed in the district and the best year's reported production was \$53,000, in 1937. Total lode gold production for the entire area was only \$565,594 between 1911 and 1937. <sup>56/</sup>

Other Minerals

A copper deposit in the Iliamna Bay region, on the west side of Cook Inlet, resulted in a flurry of development work there early in the present century. The discovery was made in 1901 and claims were staked on it the following year. The site is about nine and a half miles northwest from the head of Cottonwood Bay, the southern branch of Iliamna Bay. Work was carried on by the Dutton Mining & Development Co., headed by George W. Dutton. A small settlement was established at the head of Cottonwood Bay and was named Dutton. It became a post office on July 27, 1905, with George Dutton as postmaster. Some 14 miles of trail were built to the mineral outcrop, where a camp was established. Some underground work was done there but not enough to develop a mine, and work ceased after a few years. The post office at Dutton was closed on April 30, 1909. <sup>57/</sup> In 1910 both the mine workings and the settlement at Dutton were reported by the U. S. Geological Survey as abandoned. <sup>58/</sup>

Deposits of chromite exist in two areas near the extreme southwest point of Kenai Peninsula, at the southern end of Cook Inlet. One of the deposits forms a hill called Claim Point at the entrance to Port Chatham. The other is some distance inland at what is known as Red Mountain. The Claim Point deposit, close to tidewater and hence accessible to shipping, was worked in 1917 and 1918 when, because of World War I, there was great demand for the metal. About 1,000 tons of hand-sorted ore was shipped in each of these years. In 1918 plans were being made to install a concentrating plant, and some work may actually have been done on it. The market collapsed, however, at the end of the war, and no further mining was carried on. <sup>59/</sup>

Thereafter the chromite deposits seem to have remained dormant until 1953 when the Kenai Chrome Company opened a camp near the top of Red Mountain and made plans to ship 2,500 tons of ore each season. <sup>60/</sup> At least two other firms began preliminary operations in 1954. <sup>61/</sup> By August of that year Kenai Chrome Company had 26 men at work and was hauling from 50 to 65 tons of ore each day. <sup>62/</sup> The ore was hauled by a crawler tractor and trailer to the beach at Jakalof Bay. A shipment of 3,000 tons was made late in the year. <sup>63/</sup> In 1955 the company made shipments of 4,000 and 2,500 tons of ore, the latter going out on October 29. With it the company was able to repay a government loan in full. <sup>64/</sup> In 1956 the Kenai Chrome Company built a \$70,000 mill on its property, readying it for operation about December 1. <sup>65/</sup> The next year there was an early shutdown because of a road washout, <sup>66/</sup> and by 1958 the bottom had dropped out of the chrome market. Ore that had been selling for \$115 a ton went to \$44-\$46 per ton. The Red Mountain operation ceased and has remained shut down.

Oil

Indications of petroleum are said to have been discovered in the Iniskin Bay region, on the west side of Cook Inlet, about 1853. It was at that time that the Russian mining engineer, Peter Doroshin, was working to develop a coal mine at Port Graham, and it is not unlikely that he had something to do with the reported petroleum discovery. Samples from the petroleum seepages in the area were taken out by a Russian named Paveloff in 1882, and ten years later oil claims were staked by a man named Edelman. These were near the heads of the creeks entering Oil Bay and Dry Bay, which are just east of Iniskin Bay. It is probable that these were the first oil claims to be staked in Alaska, but they were later abandoned. 67/

In 1896 at Oil Bay men named Pomeroy and Giffin staked oil claims and the following year they organized the Alaska Petroleum Company. This company is said to have drilled a well, or at least started preparatory drilling, in 1898. 68/ If that is correct, it was by several years the first oil well started in Alaska.

In 1900, H. H. Hildreth, Special Census Agent for the Cook Inlet District, wrote:

"On the southwestern coast of the [Cook] inlet near Cape Douglas is Coal Oil Bay. At this place petroleum has been discovered and a company has located several thousand acres of land there and are now boring for oil. They have erected a few buildings and carried in a large amount of machinery. Quite a force of men is employed, and a good deal of money has been spent thus far in developing this property." 69/

An investigator for the U. S. Geological Survey, F. H. Oliphant, stated in 1903 that drilling on this site had not started until 1902. 70/

Whatever the timetable, the first well at Oil Bay was said to have been drilled to a depth of more than 1,000 feet, to have encountered gas all the way down below 190 feet, and to have hit a considerable flow of oil at either 500 feet or 700 feet. Salt water under strong pressure was next encountered, shutting off the flow of oil and causing the abandonment of the well. Two additional wells were drilled at this site in 1904 and one of them was reported to have had an output of about 10 barrels a day. Just what work was done after 1904, if any, is uncertain, and the entire camp was abandoned in 1909. 71/

The Alaska Oil Company was organized in 1901 to drill on the Dry Bay discoveries. It drilled one shallow well in 1902 and another in 1903, did not find oil, and discontinued the work. 72/

Alaska oil lands were withdrawn from entry on November 3, 1910, and it was not until February 25, 1920, that legislation was approved to provide for the leasing of oil lands in Alaska. An immediate result was the formation of the Anchorage Oil and Development Co., which took a lease on land in the Chester Creek drainage, about four miles from town. Drilling was started in 1920 and continued in 1921. It went down about 200 feet but did not reach bedrock. 73/ It did produce some seepages and these were sent out for testing, but although the reports of quality were favorable, no further work seems to have been done. 74/

Other lease applications were filed for Cook Inlet oil lands. The U. S. Land Office at Juneau in 1920 received 30 applications, covering 69,400 acres, in the Iliamna Bay field and three, covering 7,680 acres, at Chinitna Bay. 75/

According to a story in "The Anchorage Daily Times" in 1925, "a company drilling for oil at Iniskin Bay in 1920 struck oil at a depth of 900 feet, producing 50 barrels a day." <sup>76/</sup> A search of available literature has failed to turn up any confirmation of this, and the U. S. Geological Survey in 1921 reported that "There is no drilling yet on lands granted by the Act of 1920." <sup>77/</sup> The newspaper story may have been based on a misunderstanding of information from earlier Oil Bay drilling.

Between 1926 and 1930 the Peterson Oil Association drilled a well to a total depth of about 1,500 feet near Chickaloon in the Matanuska Valley, but it was not until 1936 that there was any further drilling reported at Iniskin. In that year the Iniskin Drilling Co., headed by R. E. Havenstrite of Los Angeles, established a camp and began putting down a hole on Fitz Creek, Iniskin Peninsula. <sup>78/</sup> Drilling continued in each of the three subsequent years and the well reached a depth of 8,775 feet. High gas pressures were encountered and there were several showings of oil, but late in 1939 they ran into salt water. They were unequipped to handle the water, and as the season was nearly at an end, the job was shut down. <sup>79/</sup> Said ~~the~~ "The Anchorage Daily Times," "There is little probability that operations here will be resumed. The firm has reached the end of its budget." <sup>80/</sup> It was later reported that the company's exploratory permit had expired and that the Secretary of the Interior had refused to renew it. <sup>81/</sup>

Whatever the reasons for the 1939 shutdown, it was the Havenstrite interests that conducted the next drilling operations in the Cook Inlet area. This was not until 1954, when the operation was in the name of Iniskin Unit Operators, Inc. The site selected, again in the Iniskin area, was some distance back from the coast and required the building of nine miles of road and an equal length of pipeline to carry diesel fuel to the rig. The drill used was described as the largest of its type in North America, capable of drilling to 25,000 feet. <sup>82/</sup> Drilling started August 4, 1954. <sup>83/</sup>

Later that year, when the hole was down 5,100 feet, considerable damage was done at the site by an earthquake which had its epicenter near Homer. Damage included filling of a portion of the hole. <sup>84/</sup> This did not stop the work, however, and the well was drilled to a depth of 9,746 feet before it was abandoned in October, 1957. <sup>85/</sup>

In the meantime, oil exploration activity had started on the Kenai Peninsula. In the summer of 1954 Standard Oil Company signed a 10-year exploration contract with the Department of the Interior, covering 750,000 acres some 25 miles northeast of Homer. <sup>86/</sup> Toward the end of that year both Shell Oil Company and Richfield Oil Company leased Kenai Peninsula lands, as did several individuals. <sup>87/</sup> In May, 1955, Richfield announced plans to drill a deep test well on a portion of its lease <sup>88/</sup> but it was a couple of years before the well was put down.

Actual drilling was carried on, in the summer of 1955, at Goose Bay on the west side of Knik Arm and some miles north of Anchorage. <sup>89/</sup> The Alaska Gulf Oil and Gas Company began drilling there on June 26 and reached a depth of 3,855 feet before the well was abandoned on September 6, 1955. <sup>90/</sup>

Richfield began drilling its Kenai Peninsula test well, known as Swanson River Unit No. 1, on April 5, 1957, and on July 23 the company announced a discovery flowing 900 barrels a day. <sup>91/</sup> The modern Alaska oil industry can be said to date from that discovery. The well was completed on September 28, 1957, at a depth of 12,384 feet.

Drilling and development have gone forward rapidly in several parts of the Cook Inlet region since the initial discovery. By April, 1969, a total of 218 wells had been drilled for oil, including 172 that were producing as of that date and 46 that were not. Total oil production from these wells, to April, 1969, was 182,226,634 barrels. In addition, these oil wells had produced a total of 114,070,615 M cubic feet of gas. There were, beside the oil wells, 43 gas wells, 34 of which were active in April, 1969. These had produced to that date a total of 164,081,425 M cubic feet of gas. <sup>92/</sup>

NOTES - MINING ON COOK INLET

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