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Grandwick Mines Ltd

GEOLOGICAL REPORT ON PERMIT

1425

PEEL RIVER AREA
YUKON TERRITORY

Submitted for
Classification

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Abstracted for
Geo-Science Data Index

Date _____

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Prepared for

GRANWICK MINES LIMITED

by

BULLOCK & HUGHES

Consulting Geologists

October 31, 1958

Bullock & Hughes
CONSULTING GEOLOGISTS

FRONTISPIECE



ELBOW PASS, YUKON TERRITORY

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ABSTRACT

A reconnaissance geological field study was carried out on the Permit 1425 during the summer of 1958. Results of this survey indicate the presence of favorable source and reservoir materials in the stratigraphic sequence underlying the extreme southeastern portion of the permit. Faulting, associated with the Richardson Mountains, may provide suitable trapping conditions for the accumulation of hydrocarbons in the southeastern portion of the area.

INTRODUCTION

General Statement

The area dealt with in this report is located south of the confluence of the Snake and Peel Rivers in the Yukon Territory. It lies within a portion of the Peel Plateau Area which is underlain by a thick series of sediments. Hydrocarbons represent the main economic value of the area. Over 10 million acres are held in reservations and permits in the area to the north and east.

The area concerned is strategically situated with respect to supply problems of hemispheric defense. Logical market outlets are located at tidewater only 500 miles to the southwest.

Location and Area

Yukon Territories Permit 1425 is located twenty miles south of the junction of the Peel and Snake Rivers. The area lies between Latitudes $65^{\circ} 30' N$ and $65^{\circ} 40' N$ and between Longitudes $134^{\circ} 15' W$ and $134^{\circ} 30' W$. There is a total of 52,982 acres contained in the permit.

Accessibility

Access to the area can be gained during the summer months by chartered, float-equipped aircraft from

Aklavik, Northwest Territories, or Dawson City, Yukon Territory, both of which centers are served by regular commercial airlines. Supplies are available from Aklavik, Ft. McPherson, or Dawson City.

During the winter, heavy equipment could be moved into the area from Dawson City over a winter tractor road which was built to supply DEW line operations. This road cuts across Permit 1425 in a general east-west direction. The road continues eastward to the Mackenzie River. Access to the area from the east, along the tractor road, would necessitate moving equipment down the Mackenzie River during summer months.

Climate, Vegetation, and Wildlife

Low temperatures and light precipitation are characteristic of the region discussed in this report. The average mean temperature for Aklavik is reported to be 16° F. It is expected that the average mean temperature will be slightly higher for this area by virtue of its more southerly geographic position. Average total precipitation for Aklavik is approximately 9 inches. Snow begins to fall in early September and has melted again by June 1st.

Temperature of 80° F and higher are not uncommon in the summer time. During the field season of 1958 July proved to be the wettest month and August the driest.

Normally, wet unsettled weather occurs from September 1st to September 20th when freeze-up commences. The reader is referred to Appendix A for details of hours of daylight and related data.

As a result of low temperatures during winter months, permafrost is present throughout the entire area. During the summer months, the frost-free zone is limited to the top 10 or 12 inches of soil. This frost-free zone is composed of an upper layer of reindeer moss and lichens and a lower layer of humus soil. The moss cover seems to provide excellent insulation thereby preventing thawing beyond this surface zone. Below this the ground is permanently frozen. Areas from which the moss has been stripped thaw to considerable depth. Areas adjacent to stream channels and lakes thaw to a greater extent than do moss covered areas.

During summer months the permafrost provides excellent refrigeration for food storage. Meat stored in pits chopped into the frozen ground with an axe can be kept for two weeks without spoilage.

Vegetal cover over the area is fairly sparse. Predominant tree type is stunted black spruce. Underbrush is comprised of alder, dwarf birch, and willow. Some poplar are to be found along dry sandstone ridges.

The trees are larger and more abundant along

river valleys. Spruce trees with 12 to 15 inch butts were noted along Peel and Snake Rivers. Annular growth rings of these trees are very close together making the wood very strong. Logs from these trees make excellent building material. Similar logs have been used effectively as building materials in many of the settlements throughout the north country. It is interesting to note that logs from trees of this type are used as foundations for houses and that these logs are not subject to rot because of the permafrost conditions.

The tops of most of the ridges in the area are barren of trees. The tree line is located at about the 2000 foot level. In the areas that are free of trees typical tundra-type vegetation prevails.

Wildlife is very abundant throughout the entire area. Big game animals include moose, caribou, Dall sheep, and grizzly bear. Fur bearing animals include lynx, martin, beaver, muskrat, fox, bear, and wolf. Fish common to the area include Arctic grayling, some Dollyvarden, jack fish, and whitefish. Waterfowl, except for a few ducks, are not common. Ptarmigan and grouse were the only uplands game birds noted.

Moose are very plentiful in the area. Caribou migrate into the mountains during the early spring where their young are born and the herds remain to feed all

summer. Late in August the caribou begin to migrate back into the wooded lowlands where they winter in the protection of the trees.

Drainage

The area is well drained and dissected by a predominantly dendritic pattern of drainage. Some evidence of structural control is noted in the stream patterns particularly in the west central portion of Permit 1425 where the drainage pattern has developed as a result of a change of strike of the bedrock. There are a few small lakes within the area.

Type and Method of Survey

The work done on the area was planned to evaluate the hydrocarbon potential of the acreage, using reconnaissance surface geological methods. The techniques employed during the survey involved the use of a helicopter-expedited surface geological survey with float-equipped aircraft support. Attitudes of the beds were obtained by either measurement with a Brunton compass or strike and dip estimation from the helicopter. Where it was impossible to land in order to examine outcrops, the helicopter was flown as close as possible to the rock units consistent with safety.

Surface geological studies were supported by

photogeological studies and by a compilation of published information. During the period of the field study, the party was based at Margaret Lake. Supplies were purchased and flown in from Ft. McPherson and Dawson City.

The survey crew consisted of four geologists, helicopter pilot and engineer, fixed wing aircraft pilot, and a cook. Work was under the direction of D. Bruce Bullock, P. Eng.

It is particularly important for the reader to note that this report is of reconnaissance quality and should be regarded as preliminary in value pursuant to detailed studies.

Acknowledgements

The writer wishes to express his appreciation to the members of the geological staff who ably assisted him in the field. R. G. Greggs rendered invaluable assistance through stratigraphic studies and fossil identifications. Thanks also is given to Evan Bullock, pilot of the helicopter; Curtiss Bullock, helicopter engineer; Eduard Amann, pilot of the fixed wing aircraft; and Glenn Goodland, cook. Without the help of each member of the party the survey would not have been successful.

HISTORY OF EXPLORATION

Alexander Mackenzie was the first white man to explore the Mackenzie River. He made his first trip to the Arctic coast from Great Slave Lake via this route in 1789, making the return trip from Fort Chipewyan on Lake Athabaska in one hundred and two days! Sir John Franklin, in 1826, further explored the lower Mackenzie and Arctic coast. He was followed in 1848 by Dr. John Richardson, who had accompanied Franklin on his early trip.

Thomas Simpson and Peter Warren Dease, officers of the Hudson's Bay Company, carried on important exploration in the Arctic coast and Mackenzie River areas in 1837. Others of this same company were active in the Mackenzie River area for several years following.

William Ogilvie, sent out by the Department of Interior, Ottawa, in 1887, entered the Mackenzie Basin from Yukon by way of Porcupine and Bell Rivers, McDougall Pass and Rat River. The Geological Survey of Canada continued this work and in 1888 R. G. McConnell descended the Mackenzie to the Peel which he ascended to Ft. McPherson. After making an exploratory trip up Rat River, he crossed to La Pierre House by way of Peel River portage, descended the Porcupine River and carried on exploration in the Yukon.

Very little information has been published on

the Porcupine Plains area. Brief references are made by Isbister (1845), Petitot (1875), and Ogilvie (1887-88). Recently, however, a great deal of attention has been centered on the Porcupine Plains area. This activity was stimulated by the Federal Government who opened the area to active exploration by putting two reservations up for public bid. Surface geologic studies were carried out on these two reservations by Peel Plateau Exploration Limited during the summers of 1953 and 1954. Seismic studies of a portion of the Eagle Plains area were carried out during 1955 and 1956. This exploration program has culminated in the drilling of Peel Plateau Exploration Eagle Plains No. 1 well which is currently suspended awaiting fresh supplies.

Exploration by most of the major oil companies and many independent oil companies was carried out in the area during the field season of 1958. Plans for the next year in addition to surface studies include the drilling of another well in the Eagle Plains area and possibly some drilling in the Peel Plateau area northeast of the area herein reported.

PHYSIOGRAPHY AND TOPOGRAPHY

The area discussed in this report is located along the southwestern fringe of the Peel Plateau

physiographic province. Topography of this area is generally of moderate relief. Elevations vary between 1500 and 3500 feet above sea level. Ridges and hills are rounded and valleys are generally wide. In the northern part of the area some stream valleys have cut into bedrock forming steep-sided valleys. The area forms the transition zone between the Plateau and the Knorr Range of Mountains which are part of the southern extension of the Richardson Mountains.

GEOLOGY

General Statement

The Peel Plateau area is underlain by a thick series of sedimentary rocks which have undergone very little structural deformation throughout geologic history. Strata of Cambrian, Ordovician, Silurian, Devonian, and Cretaceous ages are represented in the section.

STRATIGRAPHY

Strata which crop out within or in the vicinity of Permit 1425 includes those of Cambrian, Ordovician, Silurian, Devonian, and Cretaceous age. Cambrian, Ordovician, and Silurian strata crop out in the Mackenzie Mountains southeast of the permits. These were given only a cursory examination in the field and will be dealt

with only briefly in this report.

Cambrian

A thick series of highly metamorphosed limestones, quartzites, and shales crop out within the Knorr Range in the southern portion of the permit. There were no reservoir characteristics noted in these beds and they are not considered of economic importance to the purposes of this report.

Ordovician

Dolomites and argillaceous limestones which overlie Cambrian strata, carry Ordovician fauna. Some porosity was noted in these strata. More work is required on these beds to properly evaluate their reservoir characteristics. Ordovician strata would be important objectives in any well drilled in the area.

Silurian

Silurian age strata in this area are predominantly carbonates. The lower beds are composed of thinly bedded limestones with interbeds of black chert. The upper beds are mainly bedded dolomites with some reefal material near the top. There are several important porous horizons near the top of the Silurian section. Most of

the porosity appears to be of organic origin and some definite reef horizons were noted in the Mackenzie Mountains southeast of the permit.

The upper and lower boundaries of the Silurian have not been defined but they appear to be conformable. Considerable valuable information could be gained by more detailed studies of these strata. Sufficient porosity exists to warrant further exploration on these strata.

Middle Devonian

Middle Devonian age strata are represented by dolomites, limestones, and shales which can be divided into three main units: an upper "Mudstone" - limestone unit, a middle Shale unit, and a basal Dolomite unit. The upper "Mudstone" - limestone unit is composed of a soft, grey, clay-like shale which breaks down into a mudstone-type of deposit on weathered surface. Several beds of shaly limestone are scattered throughout the unit. The upper beds of limestone in this unit are highly fossiliferous. There were no porous horizons noted within this unit.

The middle unit of the Middle Devonian group of strata is composed of black thinly bedded, calcareous shales. These beds are excellent source rock material for the generation of hydrocarbons.

The lower dolomite unit is composed of a thick series of bedded dolomites with minor amounts of limestone. Some porosity was noted in this zone. The porosity appears to be the result of dolomitization rather than organic agents. Detailed studies of these and older Paleozoic strata are required to adequately assess their reservoir characteristics.

Upper Devonian

Upper Devonian strata can be divided into two main units:

upper unit - Imperial sandstone

lower unit - Fort Creek shale.

The lower unit is composed of thinly bedded, black, bituminous shales with a few limestone lenses and beds. An average thickness of 400 feet is expected to underlie the permit areas. These strata should provide excellent source rock material for the generation of hydrocarbons. They also form an excellent cap rock for underlying strata. The upper and lower boundaries are believed to be conformable.

Sandstones assigned an Upper Devonian age are the stratigraphic equivalents of the Imperial formation reported from the Norman Wells area. They are composed of light brown, fine grained quartz sandstone with

silty shale interbeds. The sandstones are bedded and in places cross-bedded. These sandstones are expected to be about 150 feet thick in the area of the permits. The Imperial sandstones are unconformably overlain by Lower Cretaceous strata.

Lower Cretaceous

A thick series of thinly bedded sandstones with interbeds of shales and conglomeratic sandstones overlie the Upper Devonian and have been assigned a Lower Cretaceous age on the basis of its lithology and stratigraphic position. The sandstone sequence is about 1500 feet thick and is overlain conformably by marine shales which carry a lower Cretaceous fauna.

The marine shale unit of the Lower Cretaceous is composed of grey, thinly bedded, soft shale with lenses and nodules of ironstone scattered throughout. An occasional thin bed of shales, siltstones and sandstone occur in the section. These shales are about 2000 feet thick in the area northeast of the permit. The shales have been removed by erosion from most of Permit 1425.

East of the boundary of the permit a series of sandstones cap the top of the ridges which form the southern extension of the Trevor Mountains. These sandstones are probably Upper Cretaceous in age. They overlie the

shale unit with apparent conformity. There is a thickness of about 300 feet of these sandstones.

Tertiary

Strata consisting of loosely cemented sandstones, clay, shale, and coal crop out in the northern portion of Permit 1425. These strata are similar in lithology to beds which crop out along the lower Bonnet Plume and Wind Rivers which have been assigned a Tertiary age by Dr. C. R. Stelck. The writer has assigned a Tertiary age to these strata on the basis of lithology and stratigraphic position.

Tertiary strata unconformably overlies Cambrian, Ordovician, and Silurian beds in this area. The rocks are not considered of any economic value to the purposes of this study because of their lack of source or reservoir characteristics. Thickness of these beds vary from zero to 30 feet.

Quaternary

Glacial boulder-clays cover most of the low-land areas. Some glacial erratics were noted on the ridges. Recent gravel outwash occupies the valley floor of most streams.

STRUCTURAL GEOLOGY

Structural deformation of the strata underlying Permit 1425 has been caused by orogenic forces associated with the Richardson Mountain uplift. The Knorr Range of mountains, which occupy the southern half of the permit, form part of the southern extension of the Richardson Mountains Anticlinorium.

Two main structural features dominate the geology of Permit 1425. One of these features is an anticlinal flexure which plunges to the north and northwest from Knorr Range. This anticlinal feature is a structural nose which is related to the parent Richardson Mountain anticlinorium. The structure exposes successively younger strata along its northeast flank. The presence of Cambrian strata at the surface over most of the anticline's length within the permit precludes the value of the structure as a potential hydrocarbon trap.

The second structural feature of significance that is present in the map area is a major fault which crosses the southeast corner of the permit. The fault trace strikes roughly N 20° E. In the vicinity of the permit the fault is a high angle thrust fault with the west side up. The fault brings Cambrian and Ordovician strata into position above Cretaceous beds. Porous strata are known to exist in the section underlying the permit.

It is possible these porous zones could be sealed against the plane of the fault thereby providing reservoir conditions suitable for the accumulation of hydrocarbons. The relationship between the fault and the anticlinal structure to the south is not known but the fault appears to merge with and be replaced by the steep east flank of the anticline.

Additional studies should be programmed to provide structural detail along this fault to adequately determine the potentialities for oil accumulation.

CONCLUSIONS AND RECOMMENDATIONS

Permit 1425 is located in the transition zone between the Peel Plateau and the Knorr Range of the Mackenzie Mountains. Most of the area is underlain by Cambrian and Ordovician strata which reflect the structure of the southern extension of the Richardson Mountains. Faulting is associated with the Richardson Mountain uplift. One major fault, which cuts across the southeast corner of the permit could provide conditions suitable for the accumulation of hydrocarbons.

Additional field studies of the lower Paleozoic strata and of the structural detail of the fault should be undertaken to adequately evaluate the Permit's hydrocarbon potentialities.

D. Bruce Bullock
D. Bruce Bullock, P. Eng.
Consulting Geologist

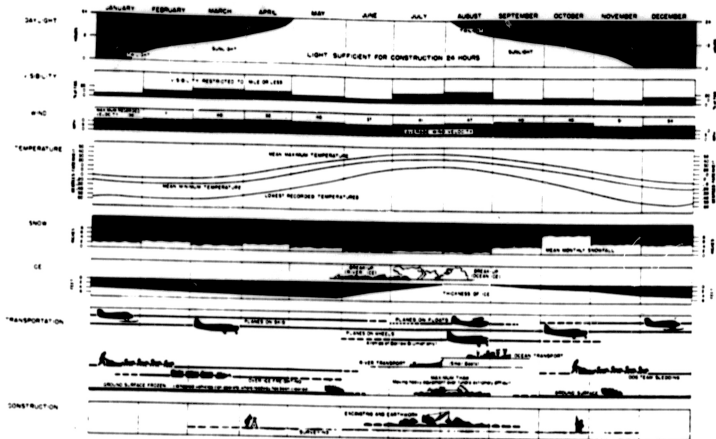
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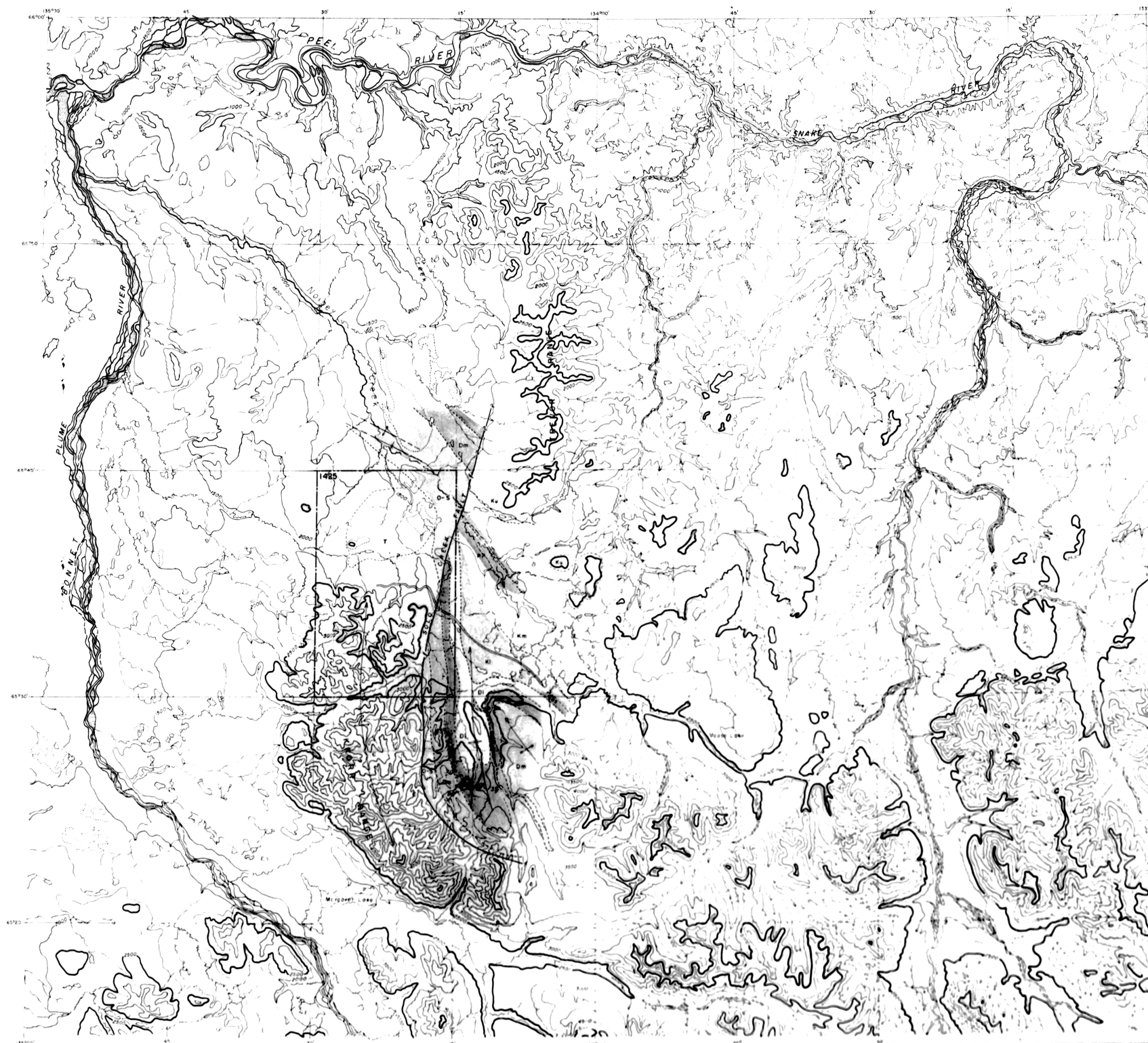
WORK FEASIBILITY CHART

POINT BARROW, ALASKA

NAVAL PETROLEUM RESERVE NO 4



from World Oil, July 1948



- TERTIARY**
 T Sandstone, shale, coal
- CRETACEOUS**
 K_u Upper sandstone unit
 K_m Middle shale unit
 K_l Lower sandstone & shale unit
 K_{bs} Basal sandstone of lower unit
- PENNSYLVANIAN**
 P Sandstone
- UPPER DEVONIAN**
 D_u Imperial sandstone
 D_l Fort Creek shale
- MIDDLE DEVONIAN**
 D_m Middle Devonian, undivided
- ORDOVICIAN - SILURIAN**
 O-S Ordovician & Silurian, undivided
- CAMBRIAN**
 C Cambrian, undivided

GEOLOGICAL MAP
PERMIT 1425
 PEEL PLATEAU AREA, YUKON TERRITORY
 by
 D BRUCE BULLOCK & ASSOCIATES LTD
 CONSULTING GEOLOGISTS

Calgary, Alberta

December, 1959

Scale 1:250,000

531-7-6-2

- Bedding**
 See page contact
 Folds
 Faults
 Dikes
 Intrusions