

/534, 4/5/04.—*Huntly Coal-prospecting Syndicate, to C. C. L., Auckland.*—"In our opinion it is not for you to propose to us what area we shall lease. We prospected the whole property and spent our money before others thought the property was any good. We also made application for the whole property in proper order and in accordance with your own advice at the beginning and of course expect to be granted the whole area applied for. In conclusion, we intend to obtain our rights whatever your opinion may be, and we hope you will not hang the matter up much longer."

/535, 21/5/04.—*C. C. L., Auckland, to Huntly Prospecting Syndicate.*—"You are taking quite an erroneous view of your position. . . . As you refuse to take up the areas granted you by the Minister, you cannot complain if at any time the land is allotted to others for coal-mining purposes. Under the Coal-mining Act an application lodged does not confer the right to the land applied for. The ultimate decision rests entirely with the Minister, and in the case of the Wahi coal-bearing lands he has given his decision."

12th November, 1903.

Re Applications for Leases of Coal-areas near Huntly.

I HAVE visited the locality and considered the matter with the Commissioner of Crown Lands (Auckland). Two members of the Huntly Coal-prospecting Syndicate accompanied me to point out the ground and boreholes sunk by that party, and also met the Commissioner (Mr. Mueller) and myself with their Secretary to discuss the situation.

To elucidate matters I have prepared the accompanying tracing. It will be remembered that the Huntly Coal-prospecting Syndicate originally applied for an area in Lake Wahi, and that a subsequent application for an area to the west, north, and east of that just referred to was made by the Taupiri Coal-mines (Limited), as is shown on the litho. map accompanying the letter of the Commissioner of Crown Lands, to the Under-Secretary for Mines, under date of 7th May, 1903, as is also the application of Mr. J. R. Hetherington for the area of Lake Rotoiti. Mr. Hetherington being a member of the Huntly Coal-prospecting Syndicate, we were assured that his application was on behalf of the syndicate, and would, if granted, form a portion of the syndicate's area.

The tracing shows the present limits of the operations of the Taupiri Coal-mines (Limited) from Ralph's shaft. (Their other properties, Taupiri Extended and Taupiri Reserve, are not shown, these being on the other side of the Waikato River.)

The surface-area, coloured blue, shows the ground held by, or available to, the Taupiri Coal-mines (Limited) for coal-mining purposes, and this, considered in relation to the present limit of their workings, which (including unworkable coal) practically represents about nine or ten years' work, may be reasonably inferred ample for trade-requirements for the next half-century, even allowing for deficiencies in the coal and increase of trade. It appears that no application was made by the Taupiri Coal-mines (Limited) for an area under Lake Wahi until the prospecting syndicate had struck coal in the boreholes Nos. 1 and 2 on Section 48 and the edge of the lake, and a glance at the litho. map already referred to renders comment superfluous. If the area applied for by the Taupiri Coal-mines (Limited) were granted, the small area originally applied for by the Huntly Coal-prospecting Syndicate would not be of any real practical value for actual mining by any other company but the Taupiri Coal-mines (Limited) owing to the fact that it, together with the small amount of freehold land available, would be too small to warrant the expenditure necessary to connect the mine with the railway at Huntly, and that of the mining plant and general capital charges.

After careful consideration of the whole matter, the Commissioner of Crown Lands (Mr. Mueller) and I have come to the conclusion that the Taupiri Coal-mines (Limited) be given an opportunity of making an amended application for the area marked A, and a similar opportunity be given to the Huntly Coal-prospecting Syndicate in respect to the area B, including Lake Rotoiti, upon such terms and conditions as will insure work being actually carried out under these areas, and prevent their being held locked up or for speculative purposes. In the event of either party failing to make the amended application within a stipulated time, the areas to be open for application by any one.

We have been led to make this recommendation in view of the fact that some real consideration is due to the Huntly Coal-prospecting syndicate for having, at considerable cost, proved the existence of coal under areas which had been previously considered non-coal-bearing, and that they should, in equity, have the right to a sufficient area of land and lake as would warrant the establishment of a colliery.

I think the south-western boundary-line of area B is approximately the boundary of coal in that direction, and that the western end of the lake-area (beyond the continuation of the dividing-line between Sections 31 and 32, Block XI., Rangiriri Survey District) may be left out of any coal-mining areas in the meantime. If workings in area A or area B prove the continuation of coal to the west, an extended or additional area could then be applied for.

In respect to area A, it would take about fifteen months' steady work, six days per week and three shifts per day to reach by underground headings from Ralph's Mine (Taupiri Coal-mines (Limited)), assuming no difficulties were met with. It is possible that the company might sink a winding-shaft on, say, Section 44, 45, or 46. This would, however, necessitate a bridge across the Waikato River, and a branch line of railway or a tramway.

To open up area B a tramway would have to be constructed and barges used for conveying the coal across the river. This, with the capital costs of opening up and equipping the mine for an output of, say, 30,000 tons per annum, would involve an expenditure under favourable conditions of some £12,000. There is, however, some prospect of another colliery being opened up on freehold lands to the west of Lake Wahi, which would be connected with the Government line of railway at Huntly by a branch-line, and, in this case, no doubt a siding to a colliery working the area B could be arranged for.