

1893.

NEW ZEALAND.

REPORT ON LEASEHOLDS OF GREY VALLEY COAL COMPANY.

Presented to both Houses of the General Assembly by Command of His Excellency.

Messrs. H. A. GORDON, F.G.S., Inspecting Engineer; A. McKAY, F.G.S., Mining Geologist; and N. D. COCHRANE, Inspector of Mines, to the Hon. A. J. CADMAN, Minister of Mines.

Mines Department,
Wellington, 7th September, 1893.

SIR,— In accordance with your instructions to us to examine and report on the conditions of the Brunner, Coal-pit Heath, and Wallsend Mines, the properties of the Grey Valley Coal Company, we have the honour to report as follows:—

BRUNNER MINE.

A lease of this property, comprising an area of 1,280 acres, being Section 2A, Square 119, in the Grey Coal Reserve, was originally granted to Messrs. Croaker, Hughes, and McCarthy, for twenty-one years from the 1st of January, 1874. It was transferred by them in 1875 to the Brunner Coal Company, who subsequently transferred to Martin Kennedy in 1879.

This lease was surrendered in the end of December, 1886, and a new lease granted from the 1st January, 1887, for a term of sixty-three years. This new lease has been transferred to the Grey Valley Coal Company, the present proprietors.

Conditions of Lease.—The conditions on which this new lease was granted were as follows: For the first eight years the dead-rent was to be £480, and the output of coal 45,000 tons per annum; the next twenty years a dead-rent of £750, and an output of 75,000 tons of coal per annum; and for the remainder of the term a dead-rent of £1,000, and an output of 100,000 tons of coal per annum.

Royalty.—When the original lease of this mine was granted, for a term of twenty-one years only, the amount of royalty specified to be paid was 6d. per ton, and this lease, if not surrendered, would have expired on the 31st of December, 1894. Arrangements were made, in granting the new lease for a longer term, that no increase in the royalty was to take place until the date of the expiration of the original lease, but after that date the royalty was to be increased to 1s. per ton, the dead-rent to merge in the royalty—that is to say, when the royalty exceeded the dead-rent; the latter was not to be paid.

Output.—The total quantity of marketable coal taken out of this mine since it was first opened, up to the end of July of the present year, is 986,675 tons. The area in which the whole of the coal has been worked is about 145 acres, and in addition to this there is about 48½ acres formed into pillars on the bord-and-pillar system. These pillar areas contain about 50 per cent. of the solid coal, making a total area over which the workings have been extended of 193½ acres.

Taking the total output of coal from this mine, and the number of acres from which the whole of the coal has been worked—namely, 145 acres—and the area of the pillar-workings, equal to 48½ acres, of which 50 per cent. of the solid coal has been taken out, this would equal an area of 169¼ acres from which the whole of the coal has been won. To take the thickness of the coal over the whole area worked, an average of at least 9ft. would be obtained, and the actual quantity of coal in a seam of this thickness is about 10,800 tons per acre, making a total of 1,827,900 tons. This shows that only about 54 per cent. of the seam has been disposed of as marketable coal.

COAL-PIT HEATH MINE.

A lease of this mine was originally granted to the Coal-pit Heath Company from the 1st January, 1875. It comprises an area of 777 acres, being Section 231, Square 119, Grey Coal Reserve.

This lease was transferred to the Westport Coal Company in September, 1887, and again transferred to the Grey Valley Coal Company in August, 1888. A surrender of this lease was made, and a new lease granted to the latter company from the 1st January, 1889, for a term of sixty-three years.

Conditions of Lease.—The conditions on which the existing lease was granted were: For the first eight years of the term the dead-rent was to be £250, and the output of coal 25,000 tons per annum; for the next twenty-eight years, a dead-rent of £500, with an output of 30,000 tons per annum; for the next twenty-one years the dead-rent was to be £750, and the output of coal 50,000 tons per annum.