

I would therefore recommend that the following conditions should apply :—

*Area A.*—Royalty, 6d. per ton on all coal sold. Rent, 2s. per acre. 100 tons of coal to be produced within two years. Output for third year, 3,000 tons ; output for fourth year, 4,500 tons ; output for fifth year, 7,000 tons ; output for sixth and succeeding years, 10,000 tons.

As the output last year from Ralph's mine was over 52,000 tons, it will be seen that the above scale allows of other properties being worked concurrently with Area A.

*Area B.*—Royalty, 6d. per ton on all coal sold. Rent, 2s. per acre. 1,000 tons of coal to be produced within two years. Output for third year, 5,000 tons ; output for fourth year, 10,000 tons ; output for fifth year 15,000 tons ; output for sixth and following years, 20,000 tons.

When royalty exceeds rents, the latter cease. See section 11, "The Coal-mines Act, 1891."

JOHN HAYES,

The Under-Secretary, Mines Department, Wellington.

Inspecting Engineer.

#### No. 4.

Department of Lands and Survey, (District Office, Auckland), 11th May, 1903.

##### *Re Coal Leases, Wahi Lake.*

IN answer to your memorandum of the 5th instant, No. 50429/3, I have to state that the matter in connection with these coal-mining leases stands as follows :—

The Huntly Coal-prospecting Syndicate applied to me for coal-prospecting leases, and I informed them that there was no power under the act for granting such an application ; that if they wanted to secure the whole or any part of the Wahi Lake they must make application for it as a coal-mining lease. After consultation, they decided to apply for a lease of 100 acres, and they deposited 3s. for each acre. Having commenced prospecting operations on Section 48 adjoining the 100-acre lease, shaded black on the accompanying litho., they requested that the Land Board should not at once deal with the application, but hold it over so as to give them an opportunity to get some of the bores down on Section 48. Accordingly, the Land Board adjourned consideration of their application until some future time.

It appears now that they were successful with their boring operations, but must foolishly have allowed that information to leak out, for the Taupiri Coal Company made an application for 500 acres surrounding the Huntly Coal-prospecting Company's 100 acres. The Taupiri Coal Company paid their 3s. per acre, did the requisite advertising, and, in short, complied with all the conditions of the Act.

Next, Mr. J. R. Hetherington made application for a coal-mining lease covering Rotoiti, a small lake close to Wahi Lake, and a few days after this was done, the Huntly Coal-prospecting Company made application for the whole of Wahi Lake and Rotoiti, complying also with the requirements of the Act.

The matter was brought before the Board, and, of course, there could be only one decision under the Coal-mines Act. Priority fixes an application, so then clearly the matter stands thus : The Huntly Coal-prospecting Company ranks first with its application for 100 acres, the Taupiri Company comes next with their application for 500 acres, then J. R. Hetherington with his application for Rotoiti, and lastly the application put in by the Huntly Coal-prospecting Company, for both of the lakes, can only be satisfied to the extent of the balance of Wahi Lake, for which they were the first applicants.

Mr. Hetherington's application need not be considered in connection with this matter, as he is a member of the Huntly Coal-prospecting Company, and that company assured me that it really did not matter whether the lease is granted to him or the company.

The only ground in dispute then is the 500 acres applied for by the Taupiri Coal Company. I saw one of their directors this morning, and I find that his company has also been carrying on prospecting on lands adjoining the lake, and that the company intend to work the seam under the lake through Section 45, which belongs to the company or Mr. Ralph.

There may or may not have been sharp practice on the part of the Taupiri Coal Company by jumping the Huntly Coal-prospecting Company's chance of extending the area it had already applied for, but the fact remains that the Coal-mines Act gives the first applicant the right to the land.

G. MUELLER.

The Under-Secretary for Lands, Wellington.

Commissioner of Crown Lands.

#### No. 5.

SIR,—

Taupiri Coal-mines (Limited), Auckland, 22nd August, 1902.

On behalf of the Taupiri Coal-mines (Limited), I beg to apply for a lease for coal-mining purposes of that portion of Lake Wahi fronting allotments 26, 27, 44, 45, 46, 48, 49, in the Parish of Pepepe, as shown on the plan attached hereto, marked blue.

I beg to enclose cheque for £37 10s., being deposit at the rate of 3s. per acre on the estimated area of 250 acres.

I have, &c.,

F. SCHERFF, Secretary.

Department of Lands and Survey (District Office), Auckland, 26th August, 1902.

IN reference to your application of the 22nd instant on behalf of the Taupiri Coal-mines (Limited) I have to inform you that Mr. Rossenbeck has already applied for a coal lease for that portion of the Wahi Lake opposite to Section 48, Pepepe Parish, therefore your application will have to be amended before it can come before the Land Board.

G. MUELLER,

The Secretary Taupiri Coal-mines (Limited), Auckland.

Commissioner of Crown Lands.