

IRON.

At Parapara two headings were driven in the limonite beds at depths about 100 ft. below the outcrop. The surface soil and gravel overlying the iron-ore is being removed by sluicing. The operations are carried out in a lethargic manner, in no way resembling the development of an ironstone-mine of importance.

KAURI-GUM.

There has been an increase of 443 tons in the output of this fossil resin, one of the principal mineral exports of this country, the product of ancient forests of the kauri-pine. The total quantity exported during 1910 was 8,693 tons, valued at £465,044, the total value of exports to the end of the year being £15,413,445. A satisfactory point about the year's operations is that practically the whole of the shipments have gone on order to Germany, France, America, and England, the amount sent to London for a speculative market being almost nil.

One of the factors in the quietness of the demand for gum has been the high price ruling for turpentine and other oils used in conjunction with the gum in the various manufactures for which it is employed.

A feature of the exportation during 1910 is the diminution of the amount of gum taken by America, the difference being nearly 1,500 tons against the past year. This may be partly ascribed to the increased use in America of China wood-oil, an inferior substitute much used in linoleum-manufacture.

Kauri-gum occurs still in considerable quantity in the northern part of the Auckland Province, from the North Cape to middle Waikato, over an approximate area of 814,000 acres.

PETROLEUM.

The activity in petroleum speculation during 1910 extended to New Zealand, and increased interest was shown in drilling operations in the Poverty Bay, Taranaki, and Lake Brunner districts, at all of which surface-indications of petroleum are observable.

At Taranaki the most important operations are those carried out by the Taranaki Petroleum Company (capital £120,000 in £1 shares). Upon this property, situated at Moturoa, several holes have been drilled in rocks of Miocene age, viz. :—

No. 1, 2,244 ft., which during drilling produced gas, oil, water, and silt, is being cleaned out preparatory to the continuation of drilling.

No. 2, 3,030 ft. : This, the most promising and productive well in the Dominion, has been flowing for fifteen months, and at present discharges about 400 gallons of crude oil per day.

No. 3, 3797 ft. : Drilling still in progress ; several thin layers of petroleum-bearing sands have been pierced.

No. 4, 800 ft. to 900 ft. : Abandoned.

No. 5, 1,658 ft. : Drilling now in progress, in papa clay ; gas at high pressure has been tapped.

From wells 1, 2, and 3 about 270,000 gallons of high-grade crude mineral oil, having an average percentage of 97 of distilled oils, had been by the 3rd May, 1911, obtained, thereby winning the Government bonus of £2,500 offered for the first 250,000 gallons of mineral oil produced in the Dominion. The position of the above drill-holes is indicated upon the accompanying photograph. This property is under option to the Oil Trust (Limited), a London company.

For testing their extensive territory at Kotuku, near Lake Brunner, the Consolidated Goldfields of New Zealand are importing a powerful drill. Exudations and oil-indications occur over a length of half a mile, and several holes have been put down by former operators, the deepest being 821 ft. ; but in none of them was oil in quantity proved.

At Waitangi Hill, about thirty-two miles by road north of Gisborne, Poverty Bay, exudations of petroleum occur, and upon this evidence boring operations were commenced in 1874, and intermittently continued, the two deepest wells being 1,400 ft. and 700 ft. respectively, in Miocene rocks. From no well, however, were the results very encouraging. The petroleum, obtained in small quantities, was of high quality as a burning-oil. A company—the New Zealand Oilfields (Limited)—recently formed in London with a capital of £200,000 (in 2s. shares), propose to test immediately, by drilling, the extensive areas in this locality, over which they have secured the rights to petroleum.

Until the prospecting operations now being carried out in these widely separated districts are completed, it is quite premature to express an opinion as to the value of the properties as oil-producers.