

The past history of endeavouring to find petroleum at Taranaki is summarised in a letter from Mr. Samuel, managing director of the New Plymouth Petroleum Company, to the Hon. the Minister of Lands. Mr. Samuel describes what has been done up to the 13th March, 1898, as follows:—

“Indications of petroleum have been seen at Moturoa for many years past, and, as far back as 1865, efforts were made by boring to obtain oil. Three wells were sunk in 1866–67, but no greater depth was reached than 650 ft., and no oil in large quantity being reached, and the appliances being somewhat primitive, operations were discontinued and the wells finally abandoned. My own connection with petroleum-boring dates from 1888, when I was associated with the Hon. Sir Julius Vogel in the enterprise. After some difficulty a company was formed in England, a plant and drillers sent to New Plymouth, and a site chosen near the root of the Breakwater. A bore was drilled to between 900 ft. and 1,000 ft., when oil was struck. But mainly, I think, on account of the broken strata met throughout, and the falling-in of hard boulders from the uncased part of the bore, accidents were of frequent occurrence, and the drilling tools got jammed in the bore and the drilling-poles broken. Thus much money was lost (a great deal, I am convinced from my recent experience, through the want of personal supervision of one with money invested in the venture), and the English shareholders—much of whose money also went in the London office expenses and payments to directors and others—got disgusted and ceased to supply the funds. The head driller, Mr. Booth, who had considerable experience on the oil-fields of America, in an official interview with me (on the 19th June, 1891) made the following statement, which I forwarded to the directors in London:—

We are down over 900 ft. now and are in oil. It is the most valuable oil I have ever seen yet. Without going deeper we could now pump up about four barrels of oil each day—that is 160 gallons per day. The success of the company is now certain. It would pay well to pump four such wells and refine the oil, but the more wells the better. I am sure twenty such wells can be bored so near the present one as to be pumped with the same engine. If wages are paid I intend to go down another 200 ft., if I do not sooner come to a lighter oil which rises freely, and I am expecting that every foot deeper I go. It will take about three weeks to sink another 200 ft. I say again, that unless I am stopped, the success of the company is certain. I recommend sinking the present bore another 200 ft., then sinking some five or six other wells in the vicinity of the present one to what I find the necessary depth. These would cost from £500 to £600 each, to a depth of 1,200 ft. each. Five such wells, even if we do not improve the flow of oil, would certainly yield twenty barrels a day, which would pay well to refine; and as success is a certainty, a refinery should be erected and a refinery plant procured, so as to get a return on the outlay. The smallest plant I ever saw would do to begin with, and I never saw one less than a three-still plant, which would run off 3,600 barrels a week. This, I think, would cost from £3,000 to £4,000. The company must get a man who understands refining, as I do not profess to do so. Machinery for pumping the wells, if necessary, can be got in the colony for about £300, I think. I cannot give you any advice or help about funds. The men will not work beyond Saturday next if they are not paid, and if they stop I must stop also. I do not understand what the directors are about.

“Immediately after this the drilling tools got jammed and one of the poles parted. The result was that, as funds were not forthcoming, work was suspended; and, after some months' delay, the men were paid off and the works shut down. For a time the drillers were retained, in the hope of funds being again raised or a new company being formed in England, but nothing came of the efforts made in London (no doubt partly because of the commercial crisis in 1892 and 1893), and New Zealand creditors took proceedings with a view to the sale of the plant. Towards the end of 1893 I visited England, and endeavoured to prevent the sale of the plant, which I felt sure would cause the undertaking to be abandoned altogether. In the end I arranged for raising a loan in New Zealand, on security of the company's assets, to pay all the New Zealand debts, and secure six months' time during which to raise capital. The time elapsed, and the company being unable to do anything, I formed a small syndicate at New Plymouth of men who were interested in the welfare of the district, and who were willing to spend a little money in the hope of developing the wealth which we trusted was lying dormant here. We procured drillers, reopened the works, and attempted to clear the bore, but our efforts were unsuccessful. I then met Mr. R. E. Fair, of Sydney, one of an Australian firm of artesian-well-borers, who had succeeded in sinking wells to great depths, and who had previously had some experience in oil-boring in America and Roumania. Mr. Fair was very sanguine of success, and proceeded with me to Australia, where he induced some persons with whom he was acquainted to join him in arranging with me (representing the New Plymouth syndicate) to bore to the depth of 1,000 ft., in consideration of an equal share with us in the assets. Mr. Fair then took charge of operations, supplied some new plant, and sunk a bore near the abandoned one to the depth of about 1,000 ft. Oil was struck at about 905 ft., but water had not been shut off, but I understood from Mr. Fair that the water in the bore rose and fell with the tide—showing that there must be some fissure communicating with the beach below high-water mark. The New Zealand syndicate then formed a company; but, recognising the tendency which those engaged in mining exploration of every description have to exaggerate the chances of success, we did not place any shares in the market, but issued only the shares applied for by the members of the syndicate. For some reason, which has never been explained (probably because he thought the yield too trifling, and that to leave a bore open, with water not shut off, might spoil the oil in the vicinity), Mr. Fair (who was appointed managing director) had the bore which he had drilled (called No. 1 bore) plugged up, most of the casing drawn, and abandoned. Mr. Fair then selected a site about a mile off in a southerly direction, and sunk a bore there to a depth of 1,534 ft., without getting any oil or gas. He abandoned this also of his own instance. Mr. Fair then selected another site, to the south-east of No. 1 bore, and there drilled the third bore. In this oil, in quantity at least ten barrels per diem, was struck at about 905 ft. This was, however, found to be a mud-vein with papa above, which constantly fell in and choked off the oil. What followed up to 1897 is correctly stated in the ‘New Zealand Trade Review’ of the 2nd September, 1897, page 8, a copy of which I forward herewith:—

[Extract from the New Zealand Trade Review.]

In our issue of the 19th March, 1896, we gave a sketch of the boring operations conducted at New Plymouth to that date. We now continue the account of the work thus carried on to the present time. While we compliment our Taranaki friends upon the pluck and perseverance which they have shown we greatly regret that their enterprise has so far met with so little reward.