

PETROLEUM OIL

Interest in prospecting for petroleum has remained at a low level since the overseas oil exploration companies ceased operations in 1944, and for some time there has been only one licence current under the Petroleum Act—namely, the petroleum mining licence held by New Zealand Oil Refineries, Ltd., over the Moturoa field near New Plymouth.

Drilling operations have been resumed in this field, and the Dobson No. 1 well, which was commenced on 2nd August, 1948, near the Taranaki Petroleum Co.'s No. 5 bore, was completed on 2nd March of this year at a depth of 2,236 ft., oil-bearing sands being passed through between 2,222 ft. and the bottom of the hole, with oil flowing under its own gas pressure at the rate of thirty barrels, or 1,200 gallons per day. The result of this drilling must be regarded as encouraging, and the company intends commencing a second hole at an early date.

From three wells on this area, New Zealand Oil Refineries, Ltd., produced 83,112 gallons of crude oil during 1948, bringing the Dominion's total production of crude petroleum up to 31st December, 1948, to 3,749,853 gallons.

With the increase in production obtained from the new well the existing refinery is not capable of dealing with the total yield of the field and at present crude oil has to be stored until such time as the capacity of the refinery has been increased.

Generally, progress in this area has been of interest, and although the field has not yet been established as a major producer, it is possible that a much greater annual production could be attained. The company is considering the advisability of obtaining a more mobile drilling rig from overseas and, if production can be increased sufficiently, installing a cracking plant and thus obviating the disposal of troublesome residues, which are difficult to market at present.

COAL-MINING

The total coal-production of the Dominion for the year 1948 amounted to 2,775,886 tons, which is 24,161 tons greater than production in 1947, which amounted to 2,751,725 tons.

The annual production of coal since 1930 has been as follows :—

Year.	Tons.	Year.	Tons.
1930	2,542,092	1940	2,516,099
1931	2,157,756	1941	2,639,507
1932	1,842,022	1942	2,680,041
1933	1,821,258	1943	2,787,868
1934	2,060,315	1944	2,805,970
1935	2,115,184	1945	2,833,576
1936	2,140,217	1946	2,793,870
1937	2,277,799	1947	2,751,725
1938	2,222,088	1948	2,775,886
1939	2,342,639		

It will be noted from the table above that production has been maintained at practically at even level of about 2,800,000 tons since 1943. Although production for 1948 shows an increase of 24,161 tons over the output recorded in 1947, it is a little disappointing that the increase was not greater, seeing that for the first six months of the year there was a substantial increase of 100,000 tons as compared with the corresponding period in 1947.