

## **Deal done for underground coal gasification**

By MJ Clark

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CASPER — GasTech Inc. of Casper has concluded a sale of coal leases containing 7 billion tons of deep Powder River Basin coal to Linc Energy of Brisbane, Australia.

As John Wold, CEO and chairman of GasTech, told the Wyoming Business Report in 2006, "We're talking about coal that can't be surface mined, nor can it be mined using conventional underground processes. We believe 95 percent of Wyoming coal is too deep to be extracted by conventional methods."

"We're fading away from the oil and gas era; we'll go to nuclear reactors again in the United States," Wold predicted back in 2006, "but we need a bridge between conventional oil and gas and nuclear power plants, and that's deep underground coal that can be converted to clean diesel, for instance."

Linc Energy has successfully operated Underground Coal Gasification (UCG) projects at Chincilla, Queensland, since 1999, including the conversion of UCG "syngas" to clean diesel. Syngas can be used for electricity generation and for liquid hydrocarbon feedstocks. The carbon dioxide from the syngas can be captured and sequestered or utilized in enhanced oil recovery projects. Linc's 7 billion tons of coal has the energy equivalent of more than 20 billion barrels of oil.

In a company release today, Wold added, "The infrastructure and coal resources of the PRB are unparalleled. Linc Energy is bringing the technical skills to commercialize UCG, providing many years of safe, economic production of energy. This development is a great opportunity for Wyoming to transform the energy landscape of the United States."

According to the GasTech release, deep coals are the greatest fossil fuel resource in the world, with an energy content conservatively many times that of oil and gas. GasTech's Steve Morzenti, said that the deal was "like drilling the first well in Jonah," with UCG providing roughly 300 times the amount of energy extracted per ton of coal than via the coalbed methane process. While GasTech sold the leases for 7 billion tons of PRB deep coal to Linc Energy, it is retaining 100 percent interest in 12 billion additional tons of PRB deep coal resources.