The Natural Resources subcommittee on Energy Extraction and Conversion met in room 437 at 8:25 a.m. with Chairman Kessler presiding and Reps. Cox, Metcalf and Frates present.

Chairman Kessler suggested the members review page 30 in "Montana Energy Advisory Council Report" and use it as a guidline in formulating an energy policy on energy extraction and conversion.

Rep. Cox suggested that Phil Tawney or Bob Kiesling of the EIC be invited to share information with the committee. Another suggested information source was Sonny Hanson, a technician in this field.

Rep. Metcalf mentioned the "Coal Gasification Vol. I" in depth report by the Montana Energy and MHD R & R Development Institute. He questioned why so much study on this one aspect and if other energy aspects are going to be as intensively studied.

Chairman Kessler said this could be one of our subcommittee points. He said most energy sources that have been studied are basically fossil fuels and so limited.

Rep. Cox mentioned the vein of coal under the one they are mining-shouldn't it also be taken.

Rep. Metcalf said there is a bill introduced to take all coal that is technologically feasible rather than just economically feasible. He said if they are down there they might as well take all they can.

Rep. Frates mentioned the coal is blended by Westmoreland. They take four seams of coal, blend it, and sell on sulphur and clinker content.

Nuclear power was also mentioned, what to do about waste, and that it is also based on uranium which is a nonrenewable source.

Thought was expressed that Montana and Wyoming could become a furnace to provide energy for other states. The governor's policy is not to convert it but to ship it out. The power companies and the labor unions will not like this.

Rep. Cox questioned the need of slurry lines as we do have the railroads.

Rep. Metcalf also brought in the amount of water that would be involved in this and other energy conversion. He felt water should be saved for agriculture.

Chairman Kessler suggested that the members check any reports they have on this subject and bring them to the next meeting, which will be a brown bag meeting Tuesday at noon in room 437.

Meeting adjourned at 8:55 a.m.

Respectfully submitted,

GERALD R. KESSLER, Chairman