



## Montana could supply the whole US with fuel!

Posted by [Yankee](#) on August 26, 2005 - 11:56am

Topic: [Alternative energy](#)

As seen at [Neocommons](#): Gov. Brian Schweitzer of Montana thinks his state's store of coal can fuel the US for the next 40 years! And without further contributing to global warming! ([Reuters](#))

The governor estimated the cost of producing a barrel of oil through the Fischer-Tropsch method at \$32, and said that with its 120 billion tons of coal -- a little less than a third of the U.S total -- Montana could supply the entire United States with its aviation, gas and diesel fuel for 40 years without creating environmental damage.

Why start now? Well, price, of course! ([Billings Gazette](#))

And it is the cost that heretofore has kept the process in the experimental/pilot project stages. For F-T, the break even point comes when crude oil is more than \$35 a barrel. Friday crude oil futures settled at \$60.57 a barrel.

Of course, before Schweitzer can get started, he's only going to need a couple billion dollars. No prob.

Schweitzer said a 150,000 barrel per day unit would cost about \$7.5 billion to build. However, F-T units can be built in modules, so a 22,000 barrel per day unit could cost \$1.2 billion, he said.

Plus another several hundred million to get functional coal mines and a railroad to deliver the coal to the F-T plant.

(Mike Gustafson, president of Wesco Resources of Billings) estimates the railroad from Ashland to Miles City would cost about \$200 million to build and another \$80-\$90 million to open a mine producing 12 million tons per year. He argued that any customer for the coal is going to want to know what the delivered price was going to be before signing a contract. The state must offer a sufficient amount of reserves in its first bid to sustain the infrastructure once it is committed, he said.

I don't mean to be so glib, really. But this comes under the "I'll believe it when I see it category." It *does* sound like a good idea, but is it really feasible?

More on [Fischer-Tropsch at Wikipedia](#).

Technorati Tags: [peak oil](#), [oil](#), [coal](#), [Fischer-Tropsch](#)



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