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If that happens, precious metals prices will rise, he said. Some gold mining in Wyoming at current prices would be economical.

"Some day, some big company is going to make a major discovery here, and we'll see a lot of activity."

Hausel said the most significant gold deposits in the state are in the South Pass area, in the southern Wind River Mountains, in the Seminoe Mountains in southcentral Wyoming and in the southern Laramie Mountains. Geology of the Medicine Bow Mountains indicates good gold content also.

Loomis said Wyoming has zirconium deposits in the Big Horn Basin. The Japanese are researching a porcelain engine, and zirconium is used in porcelain. A porcelain engine would not get hot and would have minimal wear, and makes for interesting speculation about zirconium's future.

The state also has titanium, Hausel said. One of the largest titanium deposits in the world is located in Wyoming, centered in the Laramie Mountains and the Medicine Bow Mountains. That metal is an ingredient for lightweight alloys for the aircraft industry.

Farther down the road, five or 10 years, the copper industry will see growth, along with other base metals. Hausel said the state has good copper deposits and the prices have held up during the past few years. Significant deposits are found in the Absaroka Mountains in northwestern Wyoming, in portions of western Wyoming and in the Sierra Madre Mountains in southern Wyoming.

Hausel said the state also has diamonds, and several companies have looked at diamond deposits. So far they have not found commercial grades of the stones.

"A good portion of diamonds recovered have been gem quality. More than 100,000 have been recovered in the last 15 years. I can visualize that there will be additional diamond exploration in the future, just because the geologic setting is favorable for diamond mineralization."

The geology of parts of Wyoming is quite similar to diamond producing areas of South Africa. Wyoming's diamond deposits are located in the State Line District, which extends from the Tie Siding area in southeastern Wyoming down to the Prairie Divide area in Colorado.

Interest in mining continues in Wyoming, and Hausel said claimstaking is going on in several areas of the state. Mining

interest has been evident during the past few years for platinum in the Medicine Bow Mountains, and palladium and

vanadium are found in the area too.

Hausel said many mineral deposits in Wyoming "have not been drilled"

to determine their extent, leaving the door open for the future of more mining activity in the state.

Clean air legislation to affect future of coal business

The Clean Air Act of 1970 got Wyoming into the coal business in a big way because of the low sulfur content of its coal, but recent legislation will impact that business.

Marion Loomis, executive director of the Wyoming Mining Association, said that act and its amendments are having an effect of coal's future in the state.

"Utilities built after 1970 could not emit more than 1.2 pounds of sulfur dioxide for every million BTUs put into the power plant. Eastern and Midwestern coal could not meet that standard, but Wyoming coal could," he said.

A number of factors pushed Wyoming into the spotlight as a major coal producing state in the 1970s and 1980s. In 1990 Congress passed amendments saying that all power plants, regardless of when they were built, had to meet the 1970 clean air standards.

"Wyoming has built our coal industry on utilities in other parts of the country, not necessarily utilities in Wyoming. Contracts we signed in the 70s are expiring now, or they are being renegotiated, and they are being renegotiated downward. Even though we are producing more coal, we're selling it for less and less," Loomis said.

More coal being sold is going on the spot market, without contracts. A larger share of the state's coal production is being sold on a short-term basis, with no commitment to purchase next year.

"This requires the industry to be more and more competitive."

The nearly 103 utilities nationwide affected by the federal clean air legislation in 1990 have several options to meet the standards. They can buy Wyoming coal, they can put on scrubbers or they can switch to natural gas.

"It looks like all options will be pursued by the utilities," he said.

Wyoming Mining Future (continued)

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