LITTLE ROCK — With the nation scrambling for alternatives to rising gas prices, one south Arkansas leader is touting one of its most plentiful resources — lignite — and using an emerging technology to make liquefied petroleum.

But the Legislature failed to fund a $3 million study of the low-grade coal this year, so Rep. Garry Smith helped foot the bill.
The Democrat from Camden has emailed all other members of the House and Senate asking them to co
gen
General Improvement Fund money they have yet to designate to local projects to help fund the study. He
and Lane Commissioner John Thurston to chip in.

Smith said his goal is to raise about $2.4 million, which matched with a $650,000 grant from the U.S. D
enough to fund the study. Private donations and donations from civic and business groups are also sough

The deadline to apply for the federal match is July 1.

"I'm optimistic, I think we can do it," he said. "We've got some money already promised and we've got e
and we've got county judges that are making promises of funding this account."

Southern Arkansas University in Magnolia is the fiscal agent for the project, Smith said. SAU, along wit
Commission Survey and the Arkansas Economic Development Commission, make up the Arkansas Ligr
Legislature created in 2007.

SAU spokesman Jeremy Langley said the university has opened a bank account and anyone can donate.

"We don't have any money in it yet, but we have had some inquiries," Langley said. "The university has
lignite development."

Natural Research Center

SAU is home to the Natural Research Center, a $2 million facility dedicated to the research of natural re:
state, including lignite, oil, natural gas and bromine.

The state has about 9 billion tons of lignite, known as "brown coal," below the surface, according to the :
About 4 billion of that, located mostly in southern and southeastern Arkansas, can be mined.

In the email sent earlier this month, Smith and Rep. Kim Hammer, R-Benton, asked that those who live in deposits of lignite — roughly the 22 counties south of Interstate 40 between Little Rock and Memphis, a Rock and Texarkana — consider donating $5,000 of their GIF money to help fund the study.

"I know a few (lawmakers) may have already designated their money to local fire departments, but if the appreciate it," Smith said.

The rest of the lawmakers have been asked to consider donating $1,000.

Smith said he has also asked the governor to consider donating $800,000 and state land commissioner to

"The governor has told him he will try," Beebe's spokesman Matt DeCample said.

Thurston, who gave up $12 million from his office's delinquent fees account to help the state pay the 27t in 2012, said he is considering dipping into that account again to help pay for the lignite study, but he's s

Smith said using the state's vast lignite reserves to make synthetic petroleum would energize the econom state.

"We need jobs," he said, adding that a homegrown industry is better than paying out massive tax incentiv move to the states. "We can put 200 people to work on a mine site and that will be people working in ou

Bill Prior with the state Geological Commission said some companies are have developed the technolog: petroleum, but it's still too cost-prohibitive for commercial use.

Currently, Louisiana, Mississippi, North Dakota and Texas are among several states that mine lignite, bu part, is burned as fuel to generate power.

**Option Considered**

During the oil embargo and energy crisis in the 1970s, some in Arkansas considered lignite as a potentia mines were planned, Prior said. The idea was to burn the lignite to produce electricity, not only for priva industry.

However, the energy crisis eventually subsided, and after energy-intensive bauxite mining and refinining c the energy demand dropped, and so did plans for lignite mining, Prior said.
Now, with the cost of energy skyrocketing, people are once again looking at lignite.

"If the economics work out, I mean if you can basically produce a barrel of oil for half of what a barrel o to make a major contribution there, and that would be home produced energy and that's one less barrel o said.

He said scientists in Texas are working on a process where the refinery can be built right next to the min other costs.

"The question is the economics," he said, adding he didn't know how close researchers are to making the Smith said scientists at the University of Texas at Arlington have developed the technology and are waiti

While Smith continues to push for the mining of lignite, some are already expressing concerns about pos

"The discussion right now centers around the study," DeCample said. "If you get through that and then i if mining, then there is a whole other process to go through, environmental and the rest. That's obviously so overlooked."

Ken Smith, former executive director of Audubon Arkansas, said lignite is high in mercury and mining i Sparta Aquifer, the underground water source for cities and industries across southern Arkansas.

Strip mining for lignite also could be harmful to the state's environment and wildlife.

Smith said the state Department of Environmental Quality would be directly involved in overseeing min that the environment is protected.