



www.MissoulaNews.com

# MISSOULA Independent

Western Montana's Weekly Journal  
of People, Politics and Culture

News  
A & E  
Classifieds  
Personals  
Archives  
Subscribe



Vol. 17 No. 51

Issue Date 12/21/2006

## INFO.

**Buy it!**

# Canary in a coal mine?

by John S. Adams

## Bull Mountain

One of the business partners in a potential coal-to-liquids power plant project near Roundup is being sued by a group of investors who claim that Bull Mountain Coal Properties—along with the private equity firm that bought the bulk of the mine's assets in 2005—owes them \$19.3 million dollars.

In October, Gov. Brian Schweitzer announced a proposed \$1.5 to \$2 billion coal-to-liquids facility that would use coal from Bull Mountain to produce synthetic diesel fuel.

The lawsuit, filed Dec. 15, is the most recent in a string of troublesome issues for the mine since it was taken over by Billings developer John Baugues Jr. in 1995. It has opened and closed repeatedly since then due to various financial and regulatory problems.

Reached late in the afternoon on Nov. 19, Baugues said news of the lawsuit blindsided him when it broke in that day's Billings Gazette. Baugues called the creditors' Atlanta-based attorney "an ambulance chaser."

"We've already got an agreement with them," Baugues told the Independent. "We do owe them money, no question, but we are

Ads by Google

**Settle Credit Card Debt**

Get out of debt for about 1/2 of what you currently owe. \$15k+  
[www.UsaDebtReduction.com](http://www.UsaDebtReduction.com)  
 -Now

**Foreclosures in Montana**

Buy Foreclosed Homes from \$10K in MT. See Listings for 1 Week for \$1!  
[www.RealtyStore.com](http://www.RealtyStore.com)

**U.S. Gold Corporation**

Exploring for Gold in Nevada! Consolidating the Cortez Trend  
[www.usgold.com](http://www.usgold.com)

**Lawsuit Cash Advances**

Get a cash advance on your lawsuit settlement quickly. Free quotes.  
[LawsuitAdvancesOnline.com](http://LawsuitAdvancesOnline.com)

going to pay them and they know that.”

Baugues said the company is in the process of refinancing, which he says will be completed sometime in January. He says the creditors will be paid then and the lawsuit will be moot.

But one of the mine’s most vocal critics says the lawsuit doesn’t bode well for the proposed coal-to-liquids project.

“We have felt that the Bull Mountain project, from its beginning, has been a promoter’s paradise more than a realistic project,” says Jim Jensen, executive director of the Montana Environmental Information Center. “If the mine operator is unable to pay creditors the \$20 million it owes them, then it seems like the project doesn’t have much to stand on.”

Baugues dismisses that criticism and says the lawsuit won’t have any impact on the future of Bull Mountain’s development plans.

“This thing has been disclosed to all the finance people. Everyone involved knows we’re doing this financing and equity purchase,” he says. “This lawsuit isn’t going to get [the creditors] money any quicker.”



[News](#) | [A&E](#) | [Classifieds](#) | [Personal](#) | [Contact Us](#) | [Subscribe](#)

**Life is too short.  
Find love online.**