SFChronicle JAN 6 1975 Agnew and Purchase of Coal Mines

Henderson, Ky.

Former Vice President Spiro T. Agnew and his.new business associate have bought an operating coal mine in Oklahoma, are about to close a deal on another in Kentucky and are considering purchase of 14 others in three Appalachian states, the associate says.

Walter J. Dilbeck Jr., the 56 - year - old land developer who hired Agnew at a reported salary of \$100,000 a year to drum up foreign capital, said foreign investment money — "not from the Mideast" — is behind all the mine purchases.

Dilbeck declined to disclose the location of the Oklahoma coal mine but said it has been operating since November, and its output of 35,000 tons a month is to be increased to 75,000 tons by the end of January.

He said 140 miners are at work there.

(Dilbeck's claim on the Oklahoma mine was disputed yesterday by state mining officials in Oklahoma City, United Press reported.

(Chief mine inspector Ward Padgett said there are only two operations in Oklahoma that could produce 35,000 tons of coal a month. Padgett said both are operated by Peabody Coal Co., but neither has more than 100 workers.

(Padgett said the Federal Trade Commission has ordered Kennecott Copper Co. to sell its Peabody subsidiary. But he said no buyer had been announced, although three prospective buyers were reported in late December. They were Cities Service Co., the Tennéssee Valley Authority and the Carbomin International Group.)

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