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Inder I at

February 5, 1982

Roosevelt Hot Springs Unit c/o Phillips Petroleum Company, Operator Minerals Group - Geothermal 655 East 4500 South Salt Lake City, Utah 84110

Attention: Richard Lenzer

Reference: Proposal - "Seismic Baseline and Induction Studies at Roosevelt

Hot Springs, Utah"

Dear Dick:

The ESL Management has met since my discussion with you on February 2, 1982 to review in more detail our position concerning the referenced proposal. After careful consideration, we feel it is in the best interest of ESL to withdraw the proposal. Therefore, this letter will serve as our formal withdrawal notice to you. Also, by copy of this letter, we are withdrawing the proposal formally from DOE and Utah Power and Light.

The intent of our unsolicited proposal was to 1) request additional DOE funding for the DOE Contract No. ASO7-78ID01821, and 2) provide a transition vehicle for industry to enter cooperatively with DOE on an established DOE seismic monitoring project that without industry participation, DOE will not continue to fund. Since seismic swarm activity was recorded in the production area last summer, and the probability of seismic activity in the future, we felt the most realistic alternative was to issue a cooperative unsolicited proposal between DOE, the Roosevelt Hot Springs Unit and Utah Power and Light Company.

When I talked with you on February 2, 1982, you indicated that our proposal was being considered along with proposals submitted by private sector contractors in response to an RFP you sent out approximately three days following the meeting we had with you on January 6, 1982. We were surprised to learn that you had issued an RFP for seismic monitoring work. ESL has

worked above-board with all concerned on our proposal, but with the knowledge of an RFP, we must now withdraw our proposal. ESL, of course, cannot bid competitively against private sector contractors by proposing the use of government equipment. Therefore, we would not have issued the referenced cooperative DOE proposal if we had known you would issue an RFP.

We hope you can appreciate our position and concern in the matter. The decision we have made is the best alternative to this situation.

Sincerely,

W. L. Forsberg

Associate Director

WLF:jp

cc: D. Brown, Utah Power and Light

C. Bufe, DOE

E. M. Hyster, DOE

S. H. Ward

P. M. Wright

W. O. Ursenbach



DEPARTMENT OF GEOLOGY AND GEOPHYSICS COLLEGE OF MINES AND MINERAL INDUSTRIES 717 MINERAL SCIENCE BLDG. SALT LAKE CITY. UTAH 84112

February 4, 1982

MEMORANDUM

TO:

Stanley H. Ward, Director

Earth Science Laboratory

(Operator of Roosevelt Hot Spring Seismic Network)

FROM:

Robert B. Smith, Director /R

University of Utah Seismograph Stations

SUBJECT:

Justification for Continuation of Seismic Surveillance of

Roosevelt Hot Springs Geothermal Area.

From our understanding of recent developments regarding the Roosevelt Hot Springs seismic network, there appears to be a real possibility that this network may be dismantled. As Director of the State of Utah's Seismograph network, and as a scientist fully aware of the potential for induced seismicity in that area (particularly, in view of the spatial relations of recent swarm seismicity to the Roosevelt Hot Springs producing area) as well as aware of the need for regional seismic monitoring for the general earthquake hazard, it would be my responsibility to express a concern that seismic coverage of the Roosevelt Hot Springs area intended to assess these objectives should be continued.

Signals from four widely-spaced stations of the DOE-sponsored Roosevelt Hot Springs network have been recorded by our on-line computer as part of the University of Utah's regional seismic network. These stations thus form an integral part of our regional earthquake monitoring and removing them would have an immediate impact on our earthquake surveillance capability in central and southwest Utah.

The University of Utah Seismograph Stations has the capability to continue the operation of four existing stations of the Roosevelt Hot Springs net by incorporating their data transmission into one of our existing telemetry links. These stations would continue to be an integral part of our computerized central-recording scheme for regional earthquake monitoring. Leaving these four operating stations in the ground would involve effectively no cost to D.O.E., but we could not assume any responsibility for detailed analysis beyond our routine regional monitoring. The continuation of these stations would provide surveillance of the local seismicity should induced earthquakes become a concern.

RBS:dmt