

JAMES B. KOENIG (415) ~~524-9242~~ 527-9876
PRESIDENT

October 2, 1981

Dr. Harry J. Olson
Managing Geologist
Geothermal Branch
AMAX Exploration, Inc.
Denver West Office Park
1707 Cole Boulevard
Denver, CO 80401

Dear Harry:

I am pleased to transmit herewith Dr. Christopher W. Klein's report 'An Analysis of Hydrochemical Data from the Cove Fort, Utah Geothermal Reservoir'. In it he concludes that "...cation and silica results together encourage the possibility of finding temperatures above the maximum 180°C in #42-7".

If there are questions about any of these findings, please contact either Chris or Murray Gardner at your convenience.

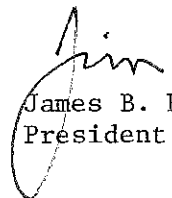
At this point we have finished the set of individual prospect reports authorized several months ago by AMAX. There is still the need to accomplish two items: final modifications to AMAX's data storage and retrieval programs for chemical data; and a first-cut analysis of the geochemical exploration data for 1980-81. These were discussed several months ago with Wim Lodder. The former will ensure speedy and accurate access to AMAX's geochemical data, which otherwise becomes almost inert. The latter will enable the selection of better prospects for farmout, joint venture or retention. At your convenience Chris will travel to Denver to begin the necessary work.

I understand the necessity to limit scope and control costs at this time.

I am sorry to have missed you during my recent visit to Denver. No one seemed to be answering the phones in your office, probably because of your move. Always a terrible inconvenience, moving. I hope the new offices are worth it.

Best regards,

Sincerely,


James B. Koenig
President

JBK:aj

attachment