FORM MR-AR
(Revised 2/88)

SE

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. GENERAL INFORMATION

1. Report Time Period: From (mo./yr.) 1/89 To (mo./yr.) 12/89
2. DOGM File Number (original notice): S / 017 / 017
3. Mine Name: Frank M
4. Mineral(s) Mined: Uranium
5. Name of Operator or Company: Nuclear Fuel Services, Inc.
6. Permanent Address: c/o Dwight B. Ferguson, Jr.
   205 Banner Hill Road
   Erwin, Tennessee 37650
7. Company Representative (or designated operator):
   Name: F. Alan Fletcher
   Title: Legal Counsel for Nuclear Fuel Services, Inc.
   Address: Pruitt, Gushee & Fletcher, Suite 1800, Beneficial Life Tower, Salt Lake City, Utah 84111
   Phone: Phone: (801) 531-8446

[X] Please check if any of the above information has changed since previous year.

II. MINING AND RECLAMATION

1. Was the mine active during the past year? Yes [ ] No [X]
2. If active, how much ore or mineral was mined? _____

1052V

Over

3. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, volume of material moved, and the acreage affected.

None

4. Briefly describe the reclamation work performed during the past year. This description should include acreage reclaimed, methods employed, and an evaluation of the results.

None

Seeding done by drill in previous years showed good progress.

5. What was the total unreclaimed acreage at years end? about one (1) acre

6. Briefly summarize mining and reclamation planned for the upcoming year.

None

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. ADDITIONAL INFORMATION

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. SIGNATURE REQUIREMENT

I hereby certify that the foregoing is true and correct.

Signature of Operator: Paul F. Schutt

Name (Typed or Print): Paul F. Schutt

Title of Operator: Chairman & Chief Executive Officer

Date: February 13, 1990