State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
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12/29/2003

U S ENERGY CORP
877 N 800 W
RIVERTON WY 82501

Re: Request for Annual Report for the Year 2003.

Dear Sirs:

The enclosed report form(s) for the Mine(s) referenced below need to be completed and returned to this office by January 31,2004.

Mine Status	Mine Number	Mine Name	Contact Person
INACTIVE	M170001	TONY M/LUCKY STRIKE	DANIEL ARIMA
INACTIVE	M370040	VELVET	DANIEL ARIMA
INACTIVE	S170017 ✓	FRANK M MINE	DANIEL ARIMA

Annual reports are required by Rules R647-3-116 and R647-4-121 of the Division's Amended and New Rules, Minerals Reclamation Program.

Reports are required regardless of annual mine activity, unless you have received a written waiver or formal release from reclamation obligations from the Division.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program