FORM MR-AR
(Revised 1/2007)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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SMALL MINING OPERATIONS 2007 PROGRESS REPORT
January 1, 2007 to December 31, 2007

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: S170017
2. Mine Name: Frank M
3. Name of Operator/Permittee: U.S. Energy Corp

   Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

4. Mine Location: Section 3, Township 35S Range 11E Garfield County, UT
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined	none	Tons, or _____ yd^3
Waste Material Moved	none	Tons, or _____ yd^3
New Disturbance	none	Acres during 2007
Area Reclaimed	none	Acres during 2007
Total Disturbed Area	1	Acres*

Was the ore shipped off site? If not, where is the ore located? no

Where is the waste located? no

*Total life of mine disturbance to the end of 2007.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

   Fully reclaimed awaiting vegetation growth

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Fred Croft
Title of Operator: V.P. Engr.
Signature of Operator: Fred Croft
Date: Jan 22, 2008

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Reviewed 2/13/08

RECEIVED
JAN 31 2008
DIV. OF OIL, GAS & MINING