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

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02/27/2001

U S ENERGY CORP
877 N 800 W
RIVERTON WY 82501

Re: SECOND Request for Annual Report for the Year 2000.

Dear Sirs:

Our file records indicate that we have not received the annual report forms for your mine project(s) as identified below. These forms were due on January 31, 2001.

| 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 |
| INACTIVE | S370090 | WOOD COMPLEX | 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.**

Your failure to file the required forms could result in the issuance of a Notice on Non-Compliance and subsequent enforcement action(s) as authorized under the Utah Mined Land Reclamation Act and its interpretive rules.

Please complete and return the enclosed report forms for the above-listed mining project(s) within 10 days of receipt of this notice to avoid further action.

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

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program