

*For Immediate Release - December 14, 2010*

**U.S. Energy Development Corporation Announces Multiple Acquisitions along with Investment in a Natural Gas Liquids Processing Plant**

*U.S. Energy Development Corporation has finalized the acquisition of several oil and gas properties throughout the Appalachian, Williston and Midland Basins and also the Marcellus Shale regions. The company is also investing in a new national gas liquids process plant in the Marcellus Shale portion of northern Pennsylvania.*

*In the Appalachian Basin, U.S. Energy has completed the acquisition of seventeen natural gas producing properties from Range Resources, Inc., an exploration and production company, in the Chautauqua and Cattaraugus Counties of Western New York. U.S. Energy and Range Resources were joint venture partners in the initial drilling of these wells. The company has executed its preferential right to purchase these wells with an effective sale date of December 1, 2009. U.S. Energy also purchased several producing oil wells and undeveloped properties for 40 new drilling locations in northwestern Pennsylvania. Infrastructure is largely in place in this area and U.S. Energy is planning to begin drilling on the remaining acreage in the next several months.*

*U.S. Energy is also finalizing the acquisition of five producing oil wells located in Montana and North Dakota in the Williston Basin and three producing oil and natural gas wells on the eastern edge of the Midland Basin in west Texas. The Midland Basin is a subset of the larger Permian Basin, which has been the source of billions of barrels of oil over the last 90 years. Natural gas is also a significant product of the region.*

*U.S. Energy has planned investment for a natural gas liquids (NGL) processing plant in the Marcellus Shale portion of northern Pennsylvania. This plant is considered a mid-stream asset and is a requirement in the oil and gas industry. The liquids processed by this plant will have originated from areas throughout the Marcellus Shale and Appalachian Basin. U.S. Energy Development Corporation is a vertically integrated, independent oil and natural gas driller and producer, ranked among the Top 50 Independent Oil and Gas Drillers in the United States, and one of the largest drillers in New York and Pennsylvania. The company currently produces in eight states and Canada, and has an extensive lease inventory. U.S. Energy Development Corporation is an active joint venture partner and has teamed with many of the nation's largest oil and natural gas companies.*

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