FORM MR-AR
(Revised 1/2006)

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
Fax: (801) 359-3940

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.) 1-1-06 To (mo./yr.) 1-1-07
2. DOGM File Number (Mine No): S010062
3. Mine Name: MICKEY PROJECT
4. Mineral(s) Mined (or permitted to mine): DICKITE
5. Type of mine: ☑ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
   ____1/4, ____1/4, ____1/4, Section 33/34, Township 29S, Range 16W
   ____1/4, ____1/4, ____1/4, Section ____, Township ____, Range ____
   ____1/4, ____1/4, ____1/4, Section ____, Township ____, Range ____
7. Name of Operator or Company: LONE STAR MINING / Sandy Nell
8. Permanent Street Address: 13171 So 3300 west
   City, State, Zip: Riverton ut. 84065
   Phone: 253-2494 Fax: 253-6526 E-mail: SandyNell@msn.com
9. Company Representative (or designated operator):
   Name: Sandy Nell
   Title: President
   Business Address: same
   City, State, Zip: ____
   Phone: same Fax: ____ E-mail: ____
   ☐ Please check if any of the above information has changed since previous year.

II. *Mining and Reclamation*

1. Was there any mine related activity during the past year? Yes ☐ No ☑
2. If no - what was the last year of activity? N/A under present company

RECEIVED
JAN 22 2007
DIV. OF OIL, GAS & MINING

TM
5/18/07