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
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LARGE MINING OPERATIONS 2006 PROGRESS REPORT
January 1, 2006 to December 31, 2006

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: M150061
2. Mine Name: Last chance 25 & 26
3. Name of Operator/Permittee: Western Clay

   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: 18 miles south of Emery, 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 600 Tons, or _____ yd^3
   Waste Material Moved -0- Tons, or _____ yd^3
   New Disturbance -0- Acres during 2006
   Area Reclaimed -0- Acres during 2006
   Total Disturbed Area 10.2 Acres*
   Was the ore shipped off site? If not, where is the ore located? Yes

   Where is the waste located?

   *Total life of mine disturbance to the end of 2006.

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).
   None

7. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.
   No change

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): Brad Boyter
Title of Operator: Pres
Signature of Operator: [signature]
Date: 1-30-07

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Reviewed 2/16/07

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FEB 01 2007
DIV. OF OIL, GAS & MINING