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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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: M2300071
2. Mine Name: HI CAI #1
3. Name of Operator/Permittee: Robert and Terry Steele

   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: Dog Valley
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 2006
   Area Reclaimed All Acres during 2006
   Total Disturbed Area Wase 6 Acres*
   Was the ore shipped off site? If not, where is the ore located? None

   Where is the waste located? South End of pit

   *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).
   The Total Disturbance Has been Reclaimed
7. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

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): Robert Steele
Title of Operator: owner
Signature of Operator: Robert Steele
Date: Jan 15 2007

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RECEIVED
JAN 31 2007
DIV. OF OIL, GAS & MINING

5/18/02