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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SMALL 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: S230086
2. Mine Name: Coyote Knoll 1,2&3
3. Name of Operator/Permittee: McFarland and Hullinger

   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: 20 miles west of the junction of highway 50 and the Little Sahara recreational area in Juab County.
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	0	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	3	Acres*

Was the ore shipped off site? If not, where is the ore located? _____

Where is the waste located? There is approximately 10,000 tons of waste on the edge of the open cut.

*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).

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): Sidney K. Hullinger
Title of Operator: Senior Vice President
Signature of Operator: Sidney K. Hullinger
Date: 1-26-07

1/18/07

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DIV. OF OIL, GAS & MINING