

KELSEY DAVID H  
 Form 4  
 December 18, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KELSEY DAVID H**

2. Issuer Name and Ticker or Trading Symbol  
**GRANITE CONSTRUCTION INC  
 [GVA]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
**12/14/2006**

Director  10% Owner  
 Officer (give title below)  Other (specify below)

**585 W. BEACH STREET**

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**WATSONVILLE, CA 95076**

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/14/2006		M		586 A \$ 7.96	1,223.61	D
Common Stock	12/14/2006		M		709 A \$ 9.51	1,932.61	D
Common Stock	12/14/2006		M		815 A \$ 9.58	2,747.61	D
Common Stock	12/14/2006		M		612 A \$ 11.925	3,359.61	D
Common Stock	12/14/2006		M		667 A \$ 11.87	4,026.61	D

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Common Stock	12/14/2006	M	869	A	\$ 9.125	4,895.61	D
Common Stock	12/14/2006	M	726	A	\$ 11.6	5,621.61	D
Common Stock	12/14/2006	M	586	A	\$ 13.41	6,207.61	D
Common Stock	12/14/2006	S	612	D	\$ 50.6	5,595.61	D
Common Stock	12/14/2006	S	200	D	\$ 50.65	5,395.61	D
Common Stock	12/14/2006	S	1,400	D	\$ 50.66	3,995.61	D
Common Stock	12/14/2006	S	100	D	\$ 50.67	3,895.61	D
Common Stock	12/14/2006	S	200	D	\$ 50.68	3,695.61	D
Common Stock	12/14/2006	S	210	D	\$ 50.7	3,485.61	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock	\$ 7.96	12/14/2006		M	586	03/31/2003	03/31/2013	Common Stock	586
Common Stock	\$ 9.51	12/14/2006		M	709	06/30/2003	06/30/2013	Common Stock	709

