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May 27, 2011

VIA EMAIL AND HAND DELIVERY

Dean Haymore, Director
Storey County Planning Department
P.O. Box 526
Virginia City, Nevada 89440

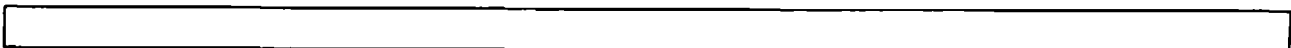
Re: 2011- 016 Special Use Permit Application, Plum Mining/Comstock Mining
Inc.

Dear Mr. Haymore:

I write on behalf of the Comstock Residents Association ("CRA") to object to the hearing of the above referenced application for a Special Use Permit ("SUP") by the Storey County Planning Commission on June 2, 2011. As described below, the inordinately and unnecessarily rushed processing of this application, the lack of specificity in the application itself, and the restrictive Storey County public comment rules combine to preclude any meaningful public participation. CRA respectfully requests that Storey County continue the Planning Commission's consideration of this application to a later date to allow the public to participate in this momentous decision concerning the future of the Comstock. Alternatively, the SUP application must be denied.

Storey County received the SUP application on or after May 17, 2010 (the date the application was signed by the applicant). The SUP application is for an unlimited and unspecified amount of exploratory drilling and trenching over 5,000 plus acres over a five-year period of time. As described in the attachment, the application, however, is devoid of meaningful detail describing the location, intensity, timing and affect of proposed activities.

Despite the potentially massive scope of the SUP application, Storey County is pushing forward its consideration without regard for the public's right to participate in land use decisions that will affect them acutely. For example on May 19, 2011, at most only

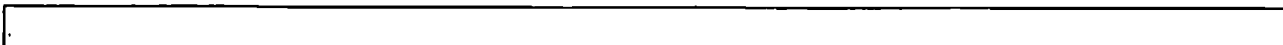


two days after receipt of the application, Storey County attempted to provide notice by mail of the SUP application being heard at the June 2, 2011 Planning Commission meeting and apparently posted an agenda for the meeting with the SUP application the only item on the agenda. Storey County then mailed a "Corrected Notice" postcard dated May 20, 2011. The May 19 and May 20 postcards provide only a section a range of the over 5,000-acre project area without any identifying location and is therefore inadequate to notice citizens where the proposed activity will actually take place.

It also appears that Storey County improperly circumscribed the recipients of the notice to only those residents of Storey County. During a May 26 meeting with Planning Department staff, CRA representatives learned that Storey County contends that it is not obligated to, and did not provide, notice to owners of property within 300 feet of the proposed project but located outside of Storey County (multiple such properties exist in this case in Lyon County; e.g., APN 008-072-21). Storey County Code Section 17.60.04, however, requires without limitation notice to "[e]ach owner of real property located within three hundred feet of the property in question." (See also NRS 278.315(3)(b)). As a result, the Planning Commission cannot not hear the SUP application at its June 2 meeting since Storey County did not notice the owners of all properties within 300 feet.

In addition, the May 19 and May 20 postcards and the May 19 Planning Commission agenda include the following statement: "NOTE: ALL HARD-COPY AND ELECTRONIC CORRESPONDENCE RELATED TO THIS AGENDA MUST BE SUBMITTED BY 5:00 PM THE FRIDAY PRECEDING THE MEETING DATE." Given the June 2 Planning Commission meeting date, Storey County has set today, May 27, 5 pm as the deadline for submission for written public comment. However, the staff report and recommendation, including any proposed conditions of approval has not been issued. CRA has also learned from Storey County Planning Department staff that the applicants have submitted a new modified map but staff refused to provide a copy of the map to CRA indicating it would be released when the staff report is issued. Not only is it illegal for Storey County to withhold the map since it is a public record, it also prevents CRA from commenting on the actual application before the county. Finally, it is Storey County's policy to limit oral comments to 5 minutes or less per group/individual at its public meetings. Storey County has precluded the public from meaningfully participating on the proposed SUP application given that written comments must be submitted prior to issuance of the staff report and that oral comments are so severely limited. Furthermore, the application is so broad, vague and now apparently revised and that meaningful written comments cannot be provided absent specific information on the location, intensity, timing, duration, scope of the activities sought to be undertaken.

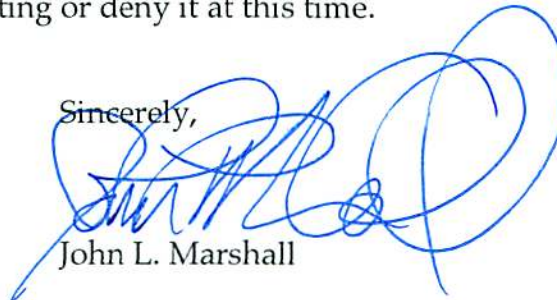
More troubling, at the May 26 meeting with Storey County Planning Staff, it was disclosed that staff have been working with the applicants for "awhile" on the proposed SUP application. The application was then submitted and staff immediately thereafter



issued notice with the barest minimum amount of time (10 days) prior to the next Planning Commission meeting and including the Memorial Day weekend. Next, notwithstanding the fact that staff and the applicants have been in discussion for some length of time, staff has not produced a report in time for written comment. CRA fails to understand the need to minimize all timelines and undermine public participation, particularly when the issue of such public import and controversy and the applicants have not requested nor demonstrated any need for expedited consideration.

In sum, CRA asks that Storey County either continue the proposed SUP application to a later Planning Commission meeting or deny it at this time.

Sincerely,



John L. Marshall

Attachment

cc: Planning Commissions
Pat Whitten, County Manager
William Maddox, District Attorney



Plum Mining/Comstock Mining Inc.
Mineral Exploration Program
Application for Special Use Permit 2011-016
Preliminary Review

General Observations:

- 1.) The official notice fails to identify the project lands in a manner sufficient for an ordinary person to determine if the proposed activity contained in the SUP application would have any effect on their individual property, as required by ordinance.
- 2.) The information included in the application regarding all aspects of the proposed action is wholly inadequate. The stipulated information as required by Storey County Code 17.92.070 is lacking in whole or in part.
- 3.) The maps identified in the application are insufficient or missing.
- 4.) Information regarding the actual location of drill pads, test pits and/or test trenches is totally lacking.
- 5.) The location of access roads (existing, existing but necessary to improve, or to be constructed new) are not located in any fashion.
- 6.) The underlying zoning of the lands included in the application is not delineated.
- 7.) This application proposes land disturbances of various types on over 5,000 acres of land within the Virginia City Landmark Historic District. Adverse effects to a variety of cultural resources is essentially assured. The applicant fails to address the potential for these adverse impacts in any realistic fashion. The applicant additionally fails to address the mitigation of any adverse effects which may occur.
- 8.) The applicant has failed to provide adequate justification as specified in 17.62.010 and 17.60.010 whereby “Certain uses may be permitted by the board of county commissioners in zones in which they are not permitted by this title where such uses are deemed essential or desirable for the public convenience or welfare.” And “... may only be granted without substantial detriment to the public good and without substantially impairing the intent and purpose of any ordinance or resolution and under such conditions as the board may deem necessary to assure that the general purpose and intent of this title will be observed, public safety and welfare secured and substantial justice done.

Page by page review:

Language in Red coincides with language in the application

May 2011 – April 2016 Mineral Exploration Program:

The time frame stipulated for the completion of the proposed activity requests a 5 (five) year time frame. There is no proposed schedule for what kind of activity types will occur at what locations and at what time during the five year time period.

Activity Type:

The applications states that “Typical mining and/or construction equipment will be used.” This language has the potential to allow for the use of very large excavators and/or earth moving machines. Additional specificity would be reasonable and prudent.

Activity size:

This section addresses the use of test pits, test trenches and reverse circulation drills but not the use of core drilling machines and soil auger drills which are specified in the previous “Activity type” section.

The application mentions drill pads being “typically 45 feet by 75 feet and will vary depending on specific location and topography.” There is no mention of the necessary cuts and/or fills that would be required to construct a pad of such size. A cursory review of the topography of many portions of the area contained in the application leads a reasonable man to conclude that significant cuts and fills may be required. A 45 ft. by 75 ft. “drill pad” could easily become a land disturbance of many times this stated size. The application lacks sufficient information for adequate review of the potential impacts of the proposed activity.

The application states “Drill roads and pads will be reclaimed after the drilling operation is concluded.” No reclamation plan is submitted for review and consideration. A specific reclamation plan, including the type and scope of reclamation and a time schedule for such reclamation to be completed, should be required of the applicant for all areas requested for surface disturbance. Adequate financial guarantees must be required and those guarantees must be tied to a specific and comprehensive reclamation plan.

Activity location:

The application includes a land description that constitutes an area of approximately 5,760 nominal acres. It is absolutely unreasonable for the Storey County Planning Commission and/or the general public to become familiar with or adequately review an application for the proposed actions as described in the “Activity Description” covering such a vast land area.

The application sites a “Plum Mining Company Permit #0196 ... (See attached map)” issued by the NDEP. The map is not included in the application. The applicant should be required to provide the map.

The application states that activities on federal lands “will be under a Notice Level Operation and will have a total disturbance of less than five acres at any given time.” The application fails to stipulate the total area which is anticipated to be disturbed during the course of the requested permit life. Additionally, the BLM requires an inventory of all pre-existing land disturbances within the area where any land disturbances are proposed. No inventory is included in the application. Information regarding BLM notice level operations is included in Notes.

Although the applicant proposes no more than “five acres at any given time” will be disturbed, the application proposes the inclusion of over 5,000 acres. A thorough and comprehensive review of the cumulative affects of the activities proposed in the application is necessary.

The application states: “CMI holds several active mining claims in Storey County where limited drilling will occur. Activity will include drilling and construction of access roads, drill pads, and sumps.” No location information or maps are included to determine what “active mining claims” are being referenced in this statement. No information regarding the location, type and alignment of the access roads to be constructed or if any reclamation is included in the application regarding these “active claims.” This is critical information which the applicant needs to provide in order for the Planning Commission and the public to understand the potential impacts of the proposed activities in the application.

Hours of Operation:

Without specific information regarding the locations of the proposed actions, the ability to provide intelligent input regarding the hours of operation is impossible. The applicant must be required to provide exact locations and the type of activity which is proposed to take place at those locations so that the public may effectively comment.

The existing Mining SUP allegedly held by Plum Mining LLC does not stipulate the hours of operation regarding exploration activities.

Detailed map including access routes you intend to use, improve or construct (if any):

The application reads “See attached minerals exploration map. No such map is included in the application.

Reclamation Plan:

The application states that the reclamation technologies and techniques described in the Plum Mining Company, LLC Mine Reclamation Plan and Permit #0196 “will be employed during activities under this Mineral Exploration Storey County SUP.” This permit was issued in 2000 and has been continuously modified and/or amended. Permit #0196 is relevant only to the Billy the Kid, Hartford, Lucerne pits and waste rock areas, related haul roads from those areas to the processing facility in American Flat as well as the 40 acre processing site. The Applicant is requesting to conduct a variety of activities over an area greater than 5,000 acres with varied topography, soils, and types of vegetation. It is essential that all lands proposed for disturbance be identified and specific reclamation plans prepared for each disturbed area.

Reclamation Topography:

The language contained here is lacking in detail for adequate review and comment. “Best management practices” are not delineated. The locations of the various proposed land disturbances can have a dramatic effect on the ability to accomplish the stated objective of “re-contouring, backfilling, or reclaiming” any disturbed lands.

Re-vegetation:

The applicant states that “...BLM recommended seed mix and application procedures.” will be employed. The application includes a vast area composed of diverse topography and soil types. Some of these areas may not be suitable for re-vegetation. The applicant fails to specify the locations where land disturbance will occur and therefore effective review and comment can not be accomplished.

Cultural and Paleontological resources:

The application states: “N/A, however any visible or known cultural and paleontological resources will be avoided.” The application covers over 5,000 acres of land, all of which lies within the Virginia City National Landmark Historic District. The District lacks a comprehensive inventory of all cultural resources. It is essential that qualified personal be present at all times during the course of the proposed activities to establish the existence of any cultural resources encountered and determine appropriate mitigation measures. Likewise, any reclamation activities must be conducted in a manner appropriate with the preservation and protection of any cultural resources encountered.

Acid-forming, toxic, deleterious materials:

The application states “N/A”. Much of the land included in the application falls within the Carson River Mercury Superfund site. The application proposes land disturbances which may very well disturb mercury laden soils or historic mill tailings. Careful and thorough consideration must be given activities which have the potential to release, move or cause the migration of mercury contamination. The applicant has failed to provide sufficient information for the Planning Commission or the public to adequately assess any potential harmful affects from mercury contaminated areas.

Land Status Where Drill Operations Will Occur:

The applicant fails to comply with Storey County Code 17.92.070 item 6 “Certification of Operator” items a & b.