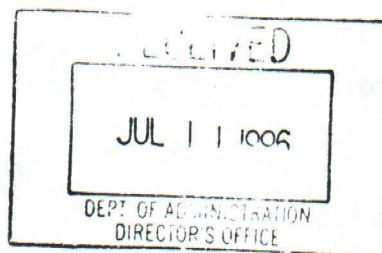


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ITEM 40

Toiyabe National Forest
Austin Ranger District
Box 130 Austin, NV 89310

File Code: 2810

Date: July 8, 1996

State of Nevada
Dept of Administration, State Clearinghouse
Capitol Complex
Carson City, NV 89710

Dear Sir or Madam:

The Austin Ranger District is currently assessing an exploration drilling project proposed by Norcal Resources Ltd. The Grantsville drilling Project is designated Plan of Operations (P.O.O.) #03-96-005. The project is being assessed to insure that it complies with the standards and guidelines in the Toiyabe National Forest's Land and Resource Management Plan (Forest Plan). The project is located in the Shoshone Mountain Range, approximately 38 miles south of the town of Austin, NV. The project is located within Sections 31 and 32, T.12 N., R. 39 E, Nye County, Nevada with a total area of disturbance of 1.0 acres.

The Forest Service encourages you to assist in the environmental analysis process by providing written comments on your concerns that pertain to the resource management on this project. Comments should be received by the Austin District Ranger by July 29, 1996, at the following address: Rene Crompton, Austin Ranger District, Toiyabe National Forest, P.O. Box 130, Austin, NV 89310.

Proposed Action

Norcal Resources Ltd. proposes to conduct exploration drilling of 15 holes for the Grantsville Project. Existing roads and routes would be used where possible. Proposed new road construction consists of 330 feet and the opening of approximately 510 feet of reclaimed exploration road. Drilling would be conducted by a reverse circulation rotary drill-rig with a support truck, a water truck and exploration pick-up trucks.

Mitigation measures outlined in the proposal consists of using existing roads and cross-country travel where possible to minimize surface disturbance. Where practical two holes will be drilled from the same drill-hole at different angles. Mud-pits or hay bales would be used to contain drill fluids. Tree cutting would be kept to a minimum. Removed trees would be cut to ground level, bucked and scattered. Waterbars and rolling dips, where necessary, would be constructed on roads to prevent channeling of water runoff and existing drainage structures would be maintained.

Reclamation measures outlined in the proposal is as follows: Drill holes would be plugged in compliance with State Regulations. Seasonal reclamation includes seeding disturbed areas as an interim measure. As final reclamation, disturbed pad and road areas (new and previously reclaimed) would be reshaped to natural contour.

Preliminary Issues and Concerns

No issues or concerns have been identified during the preliminary review of this project:

Forest Plan Compliance

Forest Management Direction includes the following standards and guidelines:

1) **Minerals Goals:**

Mineral exploration and development will be encouraged while establishing reclamation policies that minimize or shorten the duration of impacts on renewable and non-renewable surface resources.

2) **Minerals Desired Future Condition:**

Any operation with potential to cause significant surface disturbance will be covered by an operation plan with provisions to minimize or mitigate effects on natural and cultural resource values. Reclamation plans will address surface disturbance and will contain provisions to return disturbed areas to as near the pre-existing condition as possible. Reclamation bonds will be calculated in accordance with the reclamation plan.

3) **Minerals Standards and Guidelines:**

The standards and guidelines for minerals are set forth in paragraphs 1 thru 24 on pages IV-57 thru IV-59 of the Forest Plan. The Shoshone Mountain Range falls within Management Area #9. Total management area direction and proposed management practices are found on pages IV-120 thru IV-122 of the Forest Plan. The recreational opportunity spectrum is roaded natural and a visual quality objective is partial retention/modification.

Preliminary Alternatives

1) No Action. No exploration would be conducted, no holes would be drilled, no drill pads and no new disturbance would occur.

2) Proposed Action. Approval of Plan of Operations, as submitted, would be granted.

3) Proposed Action With Modifications. Approval of Plan of Operations, as submitted with modifications that address the issues and concerns that are identified.

For your convenience, I have enclosed a location map of the project area. All site specific maps are considered confidential, as outlined in 36 Code of Federal Regulations, Part 228.6.

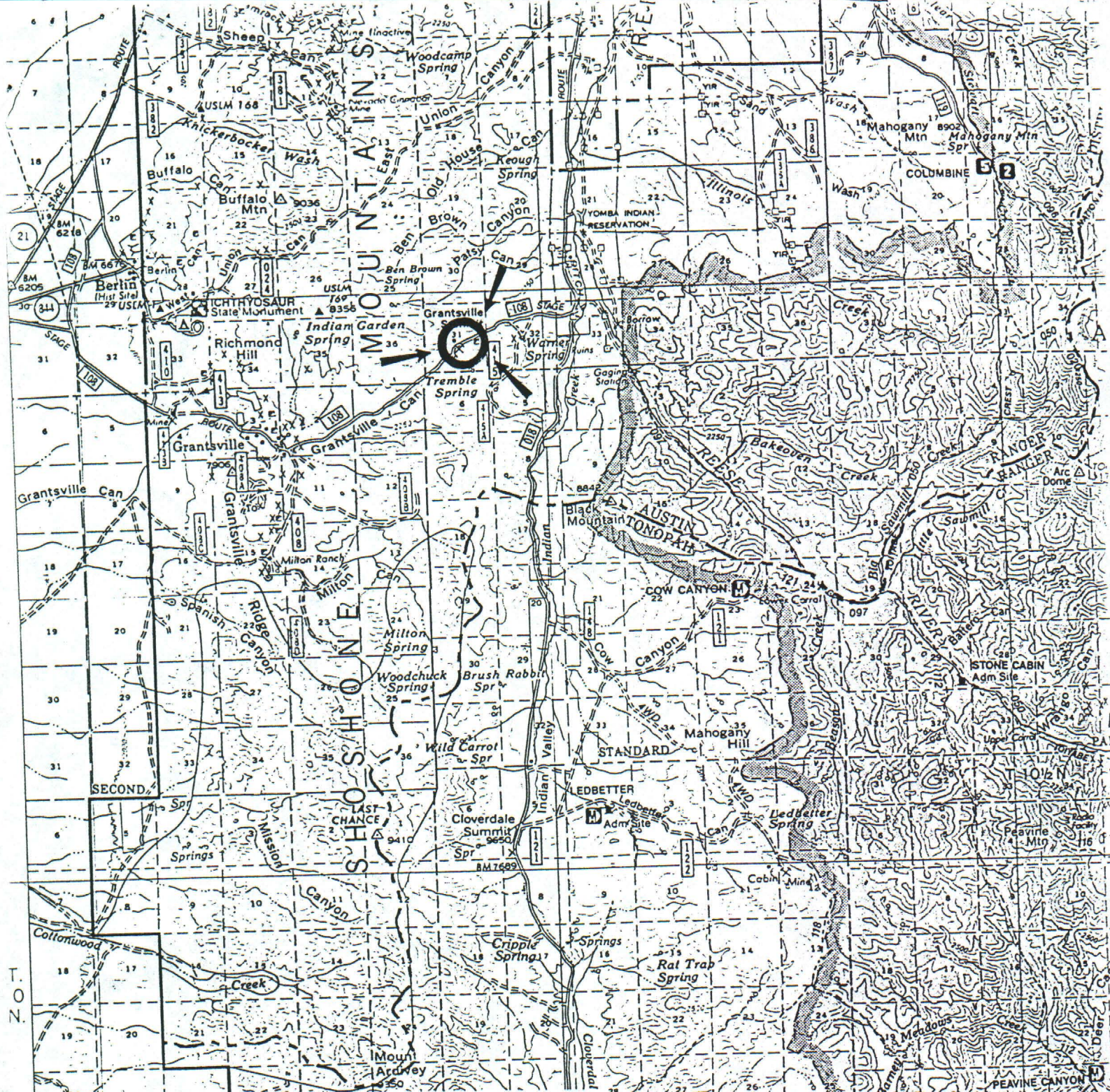
Again, I welcome your comments on this project. Please call Will Wilson or Wayne Frye at (702) 964-2671 for any additional information or questions you might have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rene Crompton".

RENE CROMPTON
District Ranger

enclosure



LOCATION MAP

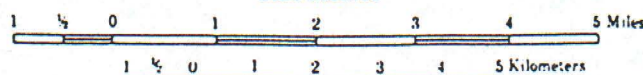
Norcal Resources Ltd.
Plan of Operations #03-96-005

Shoshone Mountain Range
T.12N., R.39E., Sec.s: 31 and 32



Austin Ranger District
FOREST VISITOR/TRAVEL MAP

Scale 1:126.720



LEGEND