

ORANGE COUNTY
DEPARTMENT OF PLANNING AND ZONING

DEBORAH S. KENDALL, AICP
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ZONING ADMINISTRATOR
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(540) 672-4347
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R. LINDSAY GORDON III BUILDING
112 WEST MAIN STREET
P O Box 111
ORANGE, VIRGINIA 22960
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ocplandir@orange-co.ova.net

APPLICATION FOR SPECIAL USE PERMIT

Applicant Name General Shale Products, LLC Phone 432-282-4661

Mailing Address P.O. Box 3547, Johnson City, TN 37602

Application must be made by the Landowner or with his/her permission. If Applicant is not the Landowner, complete the following and attach 1) a letter of permission from the landowner or 2) a copy of the contract to purchase the property, if applicable:

Name of Landowner Joan Darnell, et. al. Phone # 540-832-3783

Mailing Address John Charles Darnell, 5562 Old Barboursville Road,
Gordonsville, VA 22942

Location and description of the proposed site:

Tax Map # 54-202 (portion) Acreage 139.030 Zoning Agricultural
5562 Old Barboursville Road
Street Address Gordonsville, VA 22942 Route No. 738

Complete description of all proposed buildings, improvements and uses (attach additional information if necessary):

See attached documents. Please note that use permit request applies only to the portion of the property zoned agricultural.

You must submit a surveyor's plat of the property showing:

- Proposed location of all proposed buildings and parking areas, with distance to property line;
- Location of water and sewer service, or well and septic system, as approved by the Health Department; and
- Location, height, size and description of proposed signs, lighting, fences, walls, and trees or other landscaping.

Property corners must be marked by applicant at time of application submittal to ensure proper placement of public hearing notification signs.

Application fee \$150 not refundable
Print name General Shale Products, LLC, contract purchaser
Sign name [Signature]
By Charles W. Bowman, its attorney
Date 12-7-01 Phone 672-2531

103 W. Main St.
Orange VA 22960

**GENERAL SHALE PRODUCTS LLC
MINE NO. 19 OPERATION PLAN NARRATIVE
PLANT No. 37 - SOMERSET
ORANGE COUNTY, VA
December 7, 2001**

General Shale is applying for a "Special Use Permit" to perform mining activities in Orange County, VA on a portion of the 192.462 acre Joan Darnell et al property (Orange County Tax Parcel 54-202). The area to be mined is zoned agricultural. The following outlines the plan of operation:

I. Background

The subject property is now under consideration for purchase by General Shale. It will provide raw material for brick production at the General Shale Brick Plant located at Somerset, VA. Near depletion of raw material reserves at the plant site makes it necessary to find a mining property with the proper brick making characteristics for operation of the plant to continue. This site will provide up to 100% of the required raw material.

Identification of this property was accomplished through use of Virginia state geologic publications and our own evaluation. The results indicate the raw material found here to be an acceptable brick making material. It is in the Newark Supergroup of Triassic age. This same formation is presently utilized at the plant site as the source of raw material.

This geologic formation is very limited in aerial extent. For that reason, suitable properties within an economically acceptable distance are limited as well. Most of the raw materials in the region surrounding the plant site are unsuitable for brick production. Other properties have been investigated in Orange County and found to be unsuitable for this purpose.

Mining suitability is also based on the isolation of the area to be excavated. Visibility of this site will be very limited due to locations of tree lines, topography of this and surrounding lands, distance from homes and businesses, and distance from public roads.

The topography of the site also lends itself well to this type of extraction. It is hilly, but gently rolling. Rubber-tired scrapers can easily remove the raw material. This method of mining typically results in a gradual lowering of the hilltops to a fairly level configuration.

II. Location of Excavations

Excavation on this 139 acre tract will be limited to only a portion of the property. The total area to be disturbed over the life of the project will be 89 acres. Only a portion of this 89 acres will be in active use at any given time. The remaining undisturbed acreage is comprised of stream and property buffer zones, and the entire

ridge between Route 738 and Blue Run. The excavation area will be set back from Route 738 approximately 700' or more. A portion of this area to be left un-mined is zoned R2 (General Residential) . Setbacks will in all cases meet or exceed county and state requirements.

The area to be disturbed will be accessed from Route 738. The initial activity will be at least 100' away from nearby property lines. Future excavations will be as close as 25' to some property lines. Roads, screens, and drainage structures may be closer than 25'. Excavation will occur no closer than 50' to streams to maintain a streamside management zone (SMZ). Tree lines and vegetated berms may be constructed to protect the viewshed as well as SMZ's, and for topsoil storage.

III. Mining Procedure

This deposit of ceramic quality shale occurs in an area of elevated topography. Most of the area to be mined is clear of trees. Any stumps or brush will be incorporated into perimeter berms and outlopes of filled areas. Topsoil will be removed and stockpiled in a designated area or placed in perimeter berms. This material will be used for mine area reclamation.

The excavations will be made using rubber-tired scrapers. These scrapers will remove a thin lift of material, which will then be placed in a stockpile. No on-site processing will be required. The material will then be loaded into tractor trailer or tandem dump trucks and hauled to the manufacturing plant for processing. Mining will commence on the hilltops because that is where the greatest depth of usable material typically occurs. A less steep terrain normally results from this type of mining. No mining is proposed in the drainways. A minimum 50' wide SMZ will be maintained in these areas.

Maximum depth of shale removal is limited by drainage and convergence of inslopes at a 2:1 grade. Mining depth could be up to 50' or in some cases greater. No blasting is being proposed for this operation. Low lying mine areas that retain water will be left as ponds. However, no permanent dam construction is planned.

IV. Raw Materials

The raw material reserves at this location are estimated at 15 years based on the maximum production rate. Initially, the material from this site may be used as an admix with the plant site shale. These materials will be blended at the processing point, which will be the General Shale Brick manufacturing facility. Annual usage of the material at this site could be as much as 180,000 cubic yards per year, or about 243,000 tons (16,200 loads per year). However, present production would require up to 100,000 cubic yards per year, or about 135,000 tons (9,000 loads per year).

Regardless of the amount of shale to be removed, all mining and hauling will occur during daylight hours, Monday through Saturday, except holidays. Although hauling is planned throughout the year, mining will generally occur within a three-month period during the summer months. This will be weather dependent.

V. Access

This site is adjacent to a public road, Route 738. A gate and sign will be placed at a landscaped entrance. The gate will be kept locked when hauling is not in progress. The sign will be metal and will list the company name, telephone number, mine and permit numbers, and a trespass warning.

The principal access road, leading from the stockpiles to a public road, in this case Route 738, will be constructed so as to meet or exceed state requirements. Culverts and cross-drains will be installed at appropriate intervals. The shoulders of the road will be ditched and re-graded, and runoff from the ditches will be directed through a sediment structure before being discharged from the property. The road will be surfaced with an all-weather ballast such as brickbats. The principal access road is typically paved near its intersection with a public road.

In contrast with the principal access road, there will be internal service roads that will not be surfaced. These roads are used by heavy equipment moving from place to place within the permitted area.

VI. Truck Haul Route

The truck haul will originate from the on-site stockpile. This area will be located centrally on the property, away from surrounding residences and businesses. The stockpile area will be the only location of year round activity on the property. A stockpile will be maintained at the plant for use during inclement weather.

Material will be hauled by tractor-trailer or tandem axle dump trucks. A wash system will be utilized to remove any mud before trucks exit the property. They will leave via Route 738 and proceed northeast 0.25 mile to the Route 20 intersection. They will proceed 1.8 miles northeast on Route 20 East to the Route 655 intersection. They will then proceed 0.9 mile north to the General Shale plant entrance. Total distance on public roads is 3.1 miles. The return trip will utilize the same route.

VII. Sediment Control

Sediment control will meet or exceed all county and state requirements. Runoff from all mine areas will be directed to a detention pond to allow gravity settling of suspended solids, which is the only pollutant from this type of operation. Design capacity of the detention ponds is equal to 1/8 acre-foot per acre of the area to be ultimately disturbed. The emergency overflow spillway is designed to discharge the 25 year, 24 hour storm event with greater than one foot of freeboard, assuming spillpipe failure. The 50 year event is likewise accommodated.

Mine runoff will be directed into the detention basin by (1) sloping the benches slightly toward the basin, and (2) a perimeter berm on the opposite side.

VIII. Regrading and vegetation

The materials occurring on this tract weather rapidly upon exposure and therefore require little preparation for seeding. Seeding is typically carried out by contract hydroseeder. Seed mixtures vary from site to site due to grade, growing conditions, and season, but will in all cases meet or exceed Virginia Department of Mines Minerals and Energy (DMME) guidelines. A typical successful mixture is as follows:

K 31 tall fescue	100 lbs./acre
Korean lespedeza	40 lbs./acre
Foxtail millet	20 lbs./acre (spring), or
Grain rye	35 lbs./acre (fall)
Others*	12 lbs./acre

*Others may include rye grass and several varieties of clover.

Fertilizer (spring)	16-27-14 @ 600 lbs./acre
(fall)	12-12-12 @ 800 lbs./acre
Mulch -- cellulose	500 lbs./acre

Lime is applied later if deemed necessary at a rate recommended by soil test. Following final reclamation, land may be used for agricultural purposes, most likely for livestock grazing. Typically, low areas remain that retain water. These are quite useful in agriculture as well.

IX. Support Operations

Since all material will be hauled off site for processing, no facilities will be constructed. On site structures may include a portable metal shed to house tools and lubricants. None of these will remain after completion of mining. No landfilling is planned other than cut-and-fill grading for a stockpile area. Any raw material stockpiles constructed on site will be recovered using track or wheel-mounted loading equipment, and hauled in to the plant. Dust will be controlled as needed with a water truck. Noise suppression will conform to industry standards.

X. Haul Roads

A new entrance will be located as shown on the "Operation Plan Map". This entrance, as opposed to the existing one, will allow greater sight distance and safety for trucks as they enter Route 738. This entrance will be constructed as approved by the Virginia Department of Transportation. During non-hauling periods the road entrance will be secured by a locked gate. Haul roads within the disturbed area will be maintained in a manner consistent with established practices. Adequate dust control procedures will be maintained to assure no off-site dust problems. Grades should not exceed 20 percent, and cross-drains will be installed as needed.

XI. Post Mining Land Use

After hydroseeding with diverse species, this area will be allowed to recover as long as mining is in progress anywhere else on the property. Based upon current adjacent land use, it is anticipated that agricultural use of this land will be hayland and pasture, but other uses are not herewith excluded. The raw material reserves at this location are estimated at 15 years, so these conditions could change before the material is exhausted. If so, our anticipated post mining land use will be adjusted to accommodate the new conditions.

XII. Maintenance and Abandonment of Sediment Structures

If the post mining land use is one that could benefit from leaving ponds in place, they will be upgraded to permanent structures. Ponds will be maintained by routine inspection and repairs.

XIII. Drainage Plan

A drainage and sediment control plan is submitted under a separate section in this application. To comply with Mineral Mine Safety Laws of Virginia, Chapter 18, Section 45.1-222, the spillway systems are designed to accommodate the 25-year, 24-hour storm event.

XIV. Emergency Action and Notification Plan

Routine inspections of the sediment structures will be performed by the mining supervisor. These inspections are to be carried out once during each working day during mining season, once daily during periods of excessive rainfall, and weekly at all other times. The dams will be inspected for visible structural weakness, volume overload of either silt or water, condition of spillpipes (obstructions, damage, or leaking), condition of spillways (obstructing vegetation, erosion, or damage), and any other potential hazards. Maintenance and inspection will meet or exceed all state requirements.

If a potential hazard occurs, appropriate steps will be taken to correct such conditions. An emergency action plan will be kept by the mining supervisor.

AGREEMENT

THIS AGREEMENT, made by and between GENERAL SHALE PRODUCTS, LLC, a Delaware company with its principal offices at 3211 North Roan Street, Johnson City, Washington County, Tennessee 37601, Phone (423) 282-4661, FAX (423) 952-4160, hereinafter called "Optionee" and Joan Darnell, Timothy George Darnell, Sally Jane Darnell, John Charles Darnell, Michael James Darnell, and Sara Katharine Darnell, whose mailing address for the purpose of this agreement is 5562 Old Barbourville Road, Gordonsville, Virginia 22942, hereinafter called "Optionor",

WITNESSETH:

That for and in consideration of the sum of [REDACTED], cash in hand paid by Optionee to Optionor, the receipt of which is hereby acknowledged, the Optionor does hereby grant to Optionee, its successors and assigns, the exclusive right and option to purchase the following described tract or parcel of land located in the Barbour District of Orange County, Virginia, together with all rights of way and easements thereunto appurtenant:

Being 138 acres, more or less, a portion of the property as shown on Exhibit "A" attached hereto and conveyed to Optionor by Deed dated June 26, 1986, and recorded in Deed Book 381, Page 220 in the Clerk's Office for Orange County and containing 192.462 acres, more or less; also being identified as tax parcel 54-202.

This agreement and said exclusive right and option to purchase the aforesaid property are subject to the following terms and conditions:

1. This option is effective for the three month period beginning May 11, 2001 and expiring on August 11, 2001. The Optionee shall have the right to extend the term of this option for an additional three month period, expiring on November 11, 2001, upon (1) mailing written notice, Certified U. S. Postal Service Mail, of its intention to do so to Optionor at the address set forth above on or prior to the expiration of the initial option period, along with (2) payment of additional consideration in the amount of [REDACTED]. If the Optionee elects to exercise this option, it shall give written notice of said election to the Optionor by mailing said written notice, Certified U. S. Postal Service Mail, addressed to Optionor at the address set forth above on, or prior to, the effective expiration date hereof.

2. The Optionee, at its own expense, intends to pursue in a timely manner any zoning requirements associated with a surface mining operation. The Optionor will cooperate in any such endeavors to achieve proper zoning classification. If, at the end of the second option period, appropriate zoning has not been achieved to allow the mining operation to proceed, Optionee shall have the right to extend the Option on a monthly

basis with payment of additional consideration of [REDACTED] per month for up to twelve consecutive months while the necessary zoning requirements are pursued. If the Optionee elects to exercise this option, it shall give written notice of said election to the Optionor by mailing said written notice, Certified U.S. Postal Service Mail, addressed to the Optionor at the address set forth above on, or prior to, the effective expiration date hereof.

3. During the term of this option, the Optionee shall have, and is hereby granted, the right to enter upon the property and to drill and make other exploratory tests as it may desire for the purpose of determining the quantity and quality of suitable clay located on the property. Optionee acknowledges that the property is currently leased year to year to Harry Shepherd for agricultural purposes, and agrees to take every reasonable measure to minimize any damage it may cause in performing said exploratory tests to any crops that may be planted and further, to be fully responsible for any such damage that may occur. In the event Optionee does not exercise this option, Optionee agrees to take all necessary measures to restore any areas in which the above tests have been made, including, but not limited to, releveling and reseeding those areas. Optionee agrees to indemnify Optionor and to defend and hold harmless Optionor from liability, judgment, costs and attorney fees for injuries proximately caused by Optionee's activities on the property.

4. If the Optionee elects to and does exercise its option, it is hereby granted a reasonable time within to have the title to the property examined. If the title is found acceptable, closing will be scheduled at the office of the attorney for Optionee promptly thereafter, but in no event later than thirty (30) days after the option period. If the title hereto is found to be defective, in the sole opinion of counsel for the Optionee, then the Optionee may void this agreement and be refunded all option payments.

5. The purchase price of the property is to be [REDACTED] acre, which is approximately [REDACTED] based on Exhibit "A", to be paid in cash at the date of closing less any previously paid option fees, on which date Optionor shall execute and deliver a General Warranty Deed to Optionee, it being understood and agreed to by all parties hereto that all such payment be made to Joan Darnell. The property is to approximate the boundary shown in Exhibit "A" and to be described by metes and bounds determined by a survey performed by a licensed surveyor or engineer attached prior to the closing date, at the expense of Optionee. The initial Option consideration, additional Option consideration, and additional monthly Option consideration herein above provided is to be applied toward the purchase price. All proceeds from the existing Harry Shepherd agricultural lease of the property for any and all crops, which are planted prior to the closing shall be wholly to the benefit of the Optionor. If closing occurs during the term of the agricultural lease mentioned herein above, title will be taken subject to this agricultural lease.

6. If the Optionee elects to and does exercise its option as hereinabove provided, the Optionor shall be bound to convey the aforesaid property to Optionee by good and sufficient General Warranty Deed which shall be properly executed and acknowledged, in proper form for recording, by the Optionor, and shall contain full covenants and

warranties of title, and which shall provide that taxes for the year in which closing takes place be prorated between the parties as of the date of the closing.

7. If the Optionee elects to and does exercise its option as hereinabove provided, a vegetative barrier will be placed between the above described tract or parcel of land and the remainder of the Joan Darnell, et al property, as well as State Route 738. This barrier shall be, at a minimum, two rows of white pine trees. The exact makeup of said barrier shall be subject to any future zoning or other regulatory requirements.

8. Optionor covenants that they own the above described tract or parcel of land, free and clear of any and all liens and encumbrances; that they have good and marketable fee simple title thereto; that there are no restrictions, covenants or encumbrances, excepting the short term rental agreement for agricultural purposes as noted herein, which would in any way hinder or prevent the extractional removal of shale from said property; and that they will forever warrant and defend the title thereto against the claims of all persons whomsoever. Optionor further agrees to apply for any and all rezoning and special use permits necessary to allow for Optionee's intended use of the property. Optionee agrees to bear all expenses associated with such applications.

9. If the Optionee does not give timely notice of its election to exercise its option, this agreement shall become null and void and all rights of the parties hereunder shall terminate and Optionor shall be under no obligation to return or credit any consideration paid by Optionee for these option rights. In such event, or in the event this option is terminated by Optionee, Optionee shall provide Optionor with all surveys, engineering reports, and title work at no cost to Optionor.

10. Optionor has the right to assign this Agreement for purposes of a tax free exchange.

IN WITNESS WHEREOF, the parties have executed this agreement, on the date set forth beside their respective names.

OPTIONEE:
GENERAL SHALE PRODUCTS LLC

DATE: 4/16/01

BY: [Signature]
DAVE MCNEES
DIRECTOR OF CORPORATE
REAL ESTATE

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Before me, Brenda H. Leonard, a Notary Public of the State and County aforesaid, personally appeared DAVE MCNEES, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be Director of Corporate Real Estate of GENERAL SHALE PRODUCTS LLC, the within named bargainer, a corporation, and that he as such Director of Corporate Real Estate, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Director of Corporate Real Estate.

WITNESS MY HAND AND OFFICIAL SEAL at office in said State and County, this the 16th day of April, 2001.

Brenda H. Leonard
Notary Public

My Commission Expires: July 28, 2004

OPTIONOR:

DATE: 5.7.01

BY: [Signature]
Joan Darnell

DATE: 4/24/01

BY: [Signature]
Timothy George Darnell

DATE: 5.7.01

BY: [Signature]
Sally Jane Darnell

DATE: 5/11/01

BY: [Signature]
John Charles Darnell

DATE: 4/30/01

BY: [Signature]
Michael James Darnell

DATE: 5.7.01

BY: [Signature]
Sara Katharine Darnell

STATE OF North Carolina
COUNTY OF Durham

Personally appeared before me, [Signature]
Notary Public of the State and County aforesaid, the within named
bargainor, Sally, Sarah + John Darnell, with whom I am personally
acquainted, and who acknowledged that he executed the within
instrument for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL at office in said
State of NC County, this the 17th day of May, 2001.



[Signature]
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES 7/26/2006

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STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

Personally appeared before me, JANICE GILLESPIE, a Notary Public of the State and County aforesaid, the within named bargainer, TIMOTHY DARNELL with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL at office in said State and County, this the 24 day of APRIL, 2001.



Janice Gillespie
MY COMMISSION # CC878603 EXPIRES
October 10, 2003
BONDED THROUGH TROY FAIR INSURANCE, INC.

Janice Gillespie
Notary Public

My Commission Expires: 10-10-03

STATE OF VIRGINIA
COUNTY OF FAYETTE

Personally appeared before me, SAMANTHA A. MALL, a Notary Public of the State and County aforesaid, the within named bargainer, MICHAEL DARNELL with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL at office in said State and County, this the 30 day of APRIL, 2001.



SAMANTHA A. MALL
NOTARY PUBLIC
MY
COMMISSION
EXPIRES
6/30/04
COMMONWEALTH OF VIRGINIA

Samantha A. Mall
Notary Public

My Commission Expires: 6/30/04

STATE OF Virginia
COUNTY OF Orange

Personally appeared before me, Elizabeth A. Hordy
Notary Public of the State and County aforesaid, the within named
bargainor, John Charles Darnell with whom I am personally
acquainted, and who acknowledged that he executed the within
instrument for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL at office in said
State and County, this the 17th day of May, 2001.

Elizabeth A. Hordy
Notary Public

My Commission Expires: 11/21/05

STATE OF _____
COUNTY OF _____

Personally appeared before me, _____, a
Notary Public of the State and County aforesaid, the within named
bargainor, _____, with whom I am personally
acquainted, and who acknowledged that he executed the within
instrument for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL at office in said
State and County, this the _____ day of _____, 2001.

Notary Public

My Commission Expires:

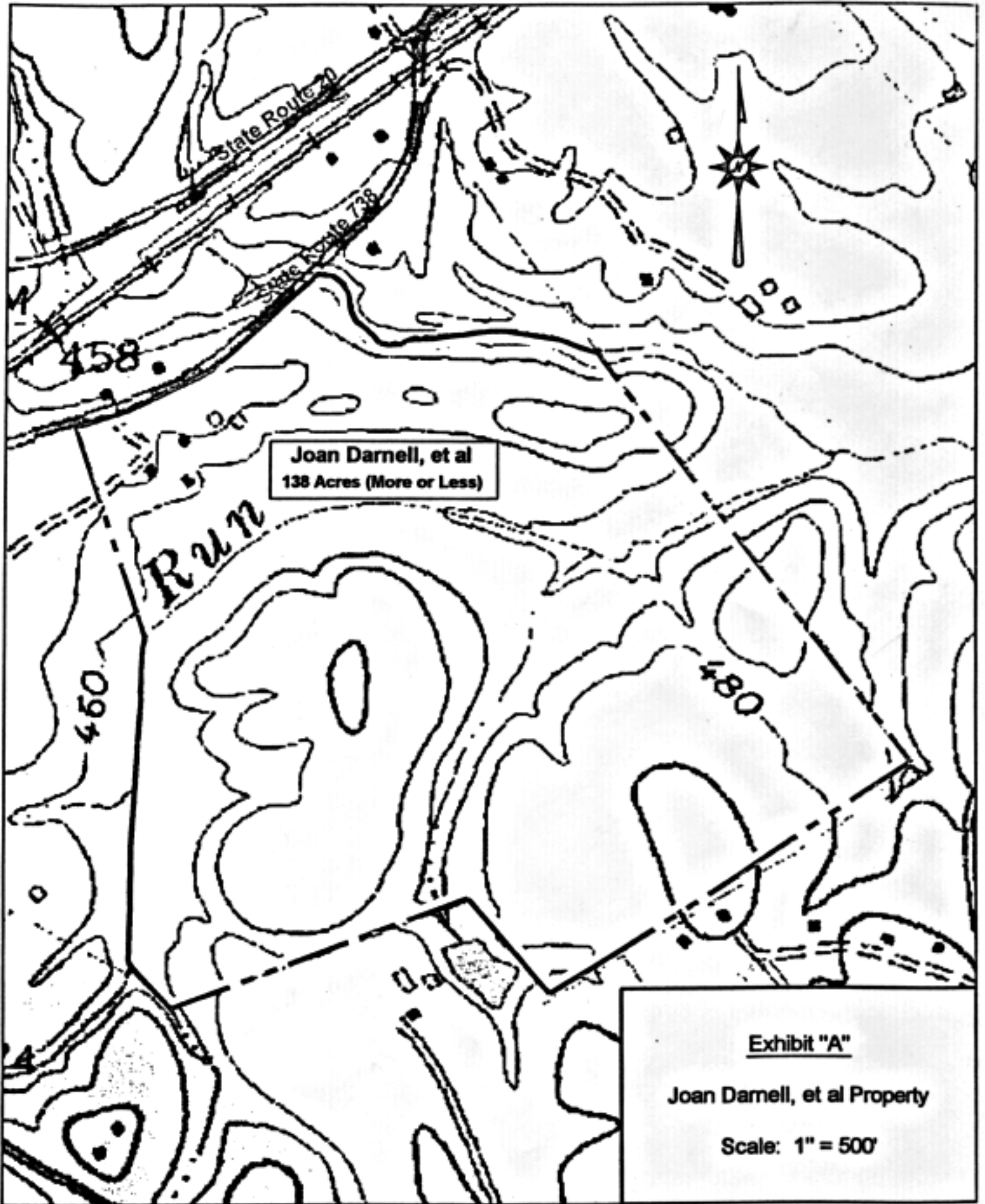
STATE OF _____
COUNTY OF _____

Personally appeared before me, _____, a
Notary Public of the State and County aforesaid, the within named
bargainor, _____, with whom I am personally
acquainted, and who acknowledged that he executed the within
instrument for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL at office in said
State and County, this the _____ day of _____, 2001.

Notary Public

My Commission Expires:



Joan Darnell, et al
138 Acres (More or Less)

Run

Exhibit "A"

Joan Darnell, et al Property

Scale: 1" = 500'