

August 25, 2006

Mr. Jim Collard  
**ENVIROSCIENTISTS, Inc.**  
 2353 North 5<sup>th</sup> Street, Suite 100  
 Elko, Nevada 89801

Dear Jim;

THANK YOU for your request for current rental rates and associated costs. Listed below are the machines you requested information for.

<b>MACHINE</b>	<b>DAILY RATE</b>	<b>WEEKLY RATE</b>	<b>MONTHLY RATE 176 SMU HRS</b>	<b>PM COST PER HOUR</b>	<b>G.E.T. COST PER HOUR</b>	<b>FUEL USE PER HOUR</b>
<b>TRACTORS</b>						
D3G	\$370.00	\$1,255.00	\$3,845.00	\$2.35	\$1.09	3.25
D4G	\$375.00	\$1,485.00	\$4,395.00	\$2.47	\$1.24	3.25
D5G	\$520.00	\$2,025.00	\$5,935.00	\$3.48	\$1.46	3.75
D5N	\$655.00	\$2,255.00	\$6,595.00	\$3.32	\$2.28	3.75
D6N	\$705.00	\$2,525.00	\$7,235.00	\$3.94	\$2.75	4.75
D6R	\$960.00	\$3,355.00	\$9,895.00	\$3.64	\$3.41	5.75
D7R	\$1,295.00	\$4,540.00	\$13,855.00	\$3.86	\$5.06	7.5
D8T	\$1,515.00	\$5,570.00	\$17,820.00	\$4.20	\$6.51	9.75
D9R	\$2,185.00	\$7,585.00	\$21,725.00	\$5.06	\$10.12	14.25
D10R	\$2,635.00	\$9,130.00	\$28,050.00	\$5.31	\$14.13	18
D11R	N/A	N/A	\$54,000.00	\$7.65	\$22.07	26.5
<b>EXCAVATORS</b>						
301	\$150.00	\$570.00	\$1,725.00	\$2.46	\$1.86	0.7
302	\$155.00	\$620.00	\$1,880.00	\$2.46	\$1.97	0.95
303	\$230.00	\$865.00	\$2,565.00	\$2.45	\$2.05	1.15
304	\$285.00	\$1,055.00	\$3,190.00	\$2.45	\$2.11	1.38
305	\$310.00	\$1,125.00	\$3,555.00	\$2.45	\$2.18	1.63
307	\$325.00	\$1,280.00	\$3,775.00	\$2.67	\$2.21	1.65
308	\$325.00	\$1,280.00	\$3,775.00	\$2.75	\$2.30	1.75
312	\$390.00	\$1,555.00	\$4,645.00	\$3.11	\$2.48	1.87
313	\$430.00	\$1,585.00	\$4,780.00	\$3.11	\$2.78	2
314	\$460.00	\$1,595.00	\$4,645.00	\$3.14	\$2.78	2
315	\$555.00	\$1,945.00	\$5,925.00	\$3.14	\$2.90	2.85
320	\$635.00	\$2,215.00	\$7,240.00	\$3.41	\$3.10	4.9
325	\$840.00	\$2,865.00	\$7,885.00	\$3.54	\$3.93	6.6
330	\$970.00	\$3,350.00	\$9,180.00	\$3.68	\$3.60	8.25
345	\$1,270.00	\$4,485.00	\$10,800.00	\$4.51	\$4.93	10.6
385	\$2,245.00	\$7,780.00	\$22,140.00	\$5.14	\$8.99	17.5

<b>SCRAPERS</b>						
613	\$980.00	\$3,395.00	\$8,625.00	\$3.42	\$4.13	6
615	\$1,325.00	\$4,485.00	\$12,595.00	\$3.75	\$5.14	8.75
631	\$2,475.00	\$8,830.00	\$23,460.00	\$4.96	\$5.61	15
637	N/A	N/A	\$32,140.00	\$7.42	\$7.03	23.75
<b>WATER WAGON</b>						
613 (5,000 GAL)	\$910.00	\$3,080.00	\$9,235.00	\$3.42	NA	10.75
621 (8,000GAL)	\$1,250.00	\$4,425.00	\$13,250.00	\$4.34	NA	10.75
<b>WATER TOWER</b>						
MPT-10 (10k GAL)	\$135.00	\$440.00	\$1,535.00	NA	NA	NA
MPT-12 (12k GAL)	\$160.00	\$535.00	\$1,645.00	NA	NA	NA
<b>OFF-HWY TRUCK</b>						
769 (35-TON)	N/A	N/A	\$14,000.00	\$5.09	\$2.23	9.25
773 (50-TON)	N/A	N/A	\$21,000.00	\$5.83	\$2.67	13
777 (85-TON)	N/A	N/A	\$28,000.00	\$8.25	\$2.98	17
<b>LDR/BACKHOE</b>						
416	\$300.00	\$1,045.00	\$2,760.00	\$2.36	\$4.18	2.75
420	\$340.00	\$1,255.00	\$3,045.00	\$2.36	\$2.40	3
430	\$365.00	\$1,305.00	\$3,295.00	\$2.36	\$2.48	3.25
446	\$445.00	\$1,735.00	\$5,245.00	\$2.46	\$2.54	3.7
<b>COMPACTORS</b>						
815	\$1,045.00	\$3,685.00	\$10,945.00	\$3.73	\$6.23	10.25
825	\$1,520.00	\$5,280.00	\$16,775.00	\$3.91	\$7.30	14.25
<b>HAMMERS</b>						
H-70 (fits 416/436)	\$170.00	\$675.00	\$2,100.00	N/A	\$1.72	NA
H-100 (fits 446/315)	\$260.00	\$1,050.00	\$3,060.00	N/A	\$2.78	NA
H-115 (fits 312/320)	\$290.00	\$1,160.00	\$3,475.00	N/A	\$3.45	NA
H-120 (fits 315/325)	\$420.00	\$1,600.00	\$4,840.00	N/A	\$3.90	NA
H-140 (fits 325/345)	\$495.00	\$1,980.00	\$5,940.00	N/A	\$5.53	NA
H-160 (fits 330/345)	\$580.00	\$2,300.00	\$6,950.00	N/A	\$7.68	NA
H-180 (fits 345/385)	\$685.00	\$2,750.00	\$8,210.00	N/A	\$9.12	NA
<b>INTEGRATED</b>			<b>TOOLCARRIERS</b>			
IT-14	\$370.00	\$1,315.00	\$3,825.00	\$3.10	\$2.37	2.25
IT-24	\$415.00	\$1,520.00	\$4,540.00	\$3.13	\$2.94	2.75
IT-28	\$455.00	\$1,790.00	\$5,370.00	\$3.25	\$3.04	3.5
IT-38	\$525.00	\$2,365.00	\$6,345.00	\$3.30	\$3.72	4
IT-62	\$750.00	\$3,025.00	\$8,565.00	\$3.39	\$7.10	4.45

**MOTORGRADERS**

140H	\$855.00	\$2,965.00	\$8,140.00	\$2.70	\$7.03	4.5
14H	\$1,185.00	\$4,235.00	\$12,430.00	\$2.89	\$10.15	6.25
16H	\$1,625.00	\$6,490.00	\$18,425.00	\$3.39	\$13.86	7.5

**WHEEL LOADERS**

914	\$345.00	\$1,380.00	\$3,660.00	\$3.02	\$2.37	2.25
924	\$405.00	\$1,535.00	\$4,615.00	\$3.08	\$2.94	2.75
928	\$465.00	\$1,755.00	\$5,495.00	\$3.15	\$3.04	3.5
938	\$535.00	\$2,035.00	\$5,995.00	\$3.25	\$3.72	4
950	\$805.00	\$2,845.00	\$7,645.00	\$3.26	\$5.65	4
962	\$875.00	\$3,185.00	\$8,305.00	\$3.48	\$7.10	4.05
966	\$1,205.00	\$4,285.00	\$10,890.00	\$3.44	\$7.10	5.75
972	\$1,205.00	\$4,285.00	\$11,990.00	\$3.62	\$7.79	6.25
980	\$1,370.00	\$4,730.00	\$13,090.00	\$3.52	\$8.97	7.5
988	\$1,915.00	\$6,655.00	\$20,350.00	\$5.71	\$9.61	11.5
992	N/A	N/A	\$42,300.00	\$8.86	\$22.73	23

**TRACK LOADER**

963	\$838.00	\$3,350.00	\$10,150.00	\$5.10	\$5.10	5.5
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**ARTICULATED TRUCK**

735	\$1,073.00	\$4,290.00	\$13,000.00	\$5.32	\$2.12	7.5
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The 'NA' listed indicate these machines are not typically rented for these periods of time by **CASHMAN EQUIPMENT**.

The rental costs shown were obtained from **CASHMAN EQUIPMENT'S** current rental rate schedule; the PM costs were obtained from **CASHMAN EQUIPMENT** historical data; the G.E.T. consumption was obtained from **CATERPILLAR** historical data and the Fuel Consumption was obtained from the current **CATERPILLAR PERFORMANCE HANDBOOK (Edition 36)**, Owning & Operating Costs, Section 20, using the 'average' or 'medium' consumption levels. Fuel burn rates are expressed in gallons per hour.

Additionally, the following should be noted: 1) All machines are subject to availability and F.O.B. **CASHMAN EQUIPMENT** yard(s); 2) Any necessary assembly and disassembly costs are not included (specifically, the D10R, D9R, 988G, 992G, 777 and 385B-L); 3) Major repairs to Engines, transmissions, torque converters, wheel groups and differentials is included in rental cost (unless caused by abuse, negligence, etc.); 4) Expenses incurred in the day to day operations of the machine (fuel, operator, insurance, etc.) is not included in the rental rates.

Last, **CASHMAN EQUIPMENT** can offer these rates to any Federal, State or Local governmental agency, as well as to any credit-worthy customer within our franchised territory in Nevada.

Thank you, again, Jim, for your request. Should you need any additional information, please feel free to give me a call!

With Best Regard  
**CASHMAN EQUIPMENT,**

A handwritten signature in blue ink, appearing to read "Tony".

Tony Araquistain  
Mine Sales Rep

# D&D | TIRE INC.

August 7, 2006

To: Mr. Doug Siple, NDEP  
Mr. Craig Smith, BLM – Nevada  
Mr. Jeff Parshley, SRK – NvMA

Subject: 2006 Earthmover Tire Costs

2006 has been one of great change for the tire industry, demand for earthmover tires are at all time highs and the ability to supply from the manufacturing side is causing short falls in produced tires. The short supply issue arises solely from the inability to produce the tires rapidly enough.

Tires are a highly engineered product made up of varies commodities (steel, carbon black, synthetic rubber, natural rubber etc.) as with all commodities we have seen a huge increases in demand and consumption. These facts have caused earthmover tire pricing to raise 53% over the last year.

I have set the excel spread sheet up to allow for easy up dating of pricing for future price increases. I suspect the tire manufactures will be coming out with new base price books by the end of the first quarter 2007 at which point we ill need to revisit this again at that time.

As future question arise I will do my best to assist all of you.

Cool Run-ins!

*Britt T. Johnson*

Britt T. Johnson  
Executive Vice President / ETMS Director

**D&D | TIRE INC**

**ETMS** "Where Tires Win The Race!"

Cell 775-848-3804  
Office 775-575-3321 ext. 16  
Fax 866-531-5885  
Email [britt.johnson@ddtire.com](mailto:britt.johnson@ddtire.com)

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Equipment	Tire Size	# of Tires Per Piece of Equipment	June 2006 Cost Per Tire	Tire Cost (1)(2)	Life Expectancy Hours (Low/Zone A) <sup>(3)</sup>	Tire Cost per Hour
<b>Motor Graders</b>						
140H	17.5R25	6	\$ 4,067.96	\$ 24,407.78	3,500	\$6.97
14H	20.5R25	6	\$ 4,218.82	\$ 25,312.93	3,500	\$7.23
16H	23.5R25	6	\$ 5,255.32	\$ 31,531.92	3,500	\$9.01
<b>Trucks</b>						
Dump Truck (10-12 yd <sup>3</sup> )			\$ -			
769D	18.00R33	6	\$ 5,350.26	\$ 32,101.54	6,000	\$5.35
773E	24.00R35	6	\$ 9,967.03	\$ 59,802.19	6,000	\$9.97
777D	27.00R49	6	\$ 12,445.79	\$ 74,674.71	5,000	\$14.93
<b>Scrapers</b>						
613C	18.00R25	4	\$ 4,852.17	\$ 19,408.66	4,000	\$4.85
615C	26.5R25	4	\$ 7,724.97	\$ 30,899.88	4,000	\$7.72
631G	37.25R35	4	\$ 11,540.64	\$ 46,162.55	4,000	\$11.54
637G PP	37.25R35	4	\$ 11,540.64	\$ 46,162.55	4,000	\$11.54
<b>Wheeled Loaders</b>						
914G	17.5R25	4	\$ 4,067.96	\$ 16,271.86	4,500	\$3.62
924G	17.5R25	4	\$ 4,067.96	\$ 16,271.86	4,500	\$3.62
928G	17.5R25	4	\$ 4,067.96	\$ 16,271.86	4,500	\$3.62
938G	20.5R25	4	\$ 4,220.12	\$ 16,880.49	4,500	\$3.75
950G	23.5R25	4	\$ 5,256.62	\$ 21,026.48	4,500	\$4.67
962G	23.5R25	4	\$ 5,256.62	\$ 21,026.48	4,500	\$4.67
966G	26.5R25	4	\$ 7,724.97	\$ 30,899.88	4,500	\$6.87
972G	26.5R25	4	\$ 7,724.97	\$ 30,899.88	4,500	\$6.87
980G	29.5R25	4	\$ 9,662.72	\$ 38,650.86	4,500	\$8.59
988G	35/65-33	4	\$ 11,894.37	\$ 47,577.49	4,500	\$10.57
992G	45/65R45	4	\$ 25,201.09	\$ 100,804.36	4,500	\$22.40
<b>Backhoes</b>						
<b>FRONTS</b>						
416D 4WD	340/80R18-195LR24	2	\$ 1,113.84	\$ 2,227.68	3,000	\$0.74
420D 4WD	340/80R18-195LR24	2	\$ 1,113.84	\$ 2,227.68	3,000	\$0.74
430D 4WD	340/80R18-195LR24	2	\$ 1,113.84	\$ 2,227.68	3,000	\$0.74
446D 4WD	15R19.5--21LR24	2	\$ 918.00	\$ 1,836.00	3,000	\$0.61
<b>REARS</b>						
		2	\$ 1,300.50	\$ 2,601.00	3,000	\$0.87
		2	\$ 1,300.50	\$ 2,601.00	3,000	\$0.87
		2	\$ 1,300.50	\$ 2,601.00	3,000	\$0.87
		2	\$ 1,433.61	\$ 2,867.22	3,000	\$0.96
<b>Other Equipment</b>						
Supervisor's Truck (Pickup)		4		\$ -		
613E (5,000 gal) Water Wagon	23.5R25	4	\$ 5,256.62	\$ 21,026.48	6,000	\$3.50
621E (8,000 gal) Water Wagon	33.25R29	4	\$ 7,652.14	\$ 30,608.57	8,000	\$3.83
Notes:						
1) Total cost for all required tires.						
2) Source: D&D Tire, Inc. 09/06/2005						
3) Caterpillar Handbook, Edition 34; Estimated Tire Life Curves Ch. 20						

## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Elko Field Office  
3900 East Idaho Street  
Elko, Nevada 89801

Phone (775) 753-0331

FAX (775) 753-0260

### FACSIMILE MESSAGE

**DATE:** Thursday, October 12, 2006

**FROM:** Frank Bergwall, Phone (775) 753-0331  
FAX (775) 753-0260

**TO:** Intermountain Piping Systems (Baroid Products)  
Phone; (775) 738-7380  
FAX 738-8814

**NO. PAGES** (including this cover sheet): 1

**SUBJECT:** Requesting Price Quotes

I verify reclamation costs including drill hole abandonment.  
Please give me your 2006-2007 prices for the following drill hole abandonment materials.

Prices should be for product picked up at your warehouse in Elko.

**Abantonite per 50# bag \$11.44**

**Abantonite per palette of 60 bags \$10.65\*60=\$639**

**Holeplug, 3/4 inch per 50# bag \$6.15**

**Holeplug, 3/4 inch per palette of 48 bags \$5.81\*48=\$278.88**

**Cement, per 94# bag \$11.75**

**Cement, per palette of 30 bags \$11.00\*30=\$330**

Per fax from Intermountain Piping Systems on October 12, 2006.

## Parshley, Jeff

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**From:** Craig\_Smith@nv.blm.gov  
**Sent:** Friday, February 03, 2006 4:03 PM  
**To:** Parshley, Jeff; connied@ndep.nv.gov; dsiple@ndep.nv.gov  
**Subject:** bat gates and plugs

**Attachments:** Bat gate costs.doc



Bat gate costs.doc  
(25 KB)

Here is the information on bat gates and PUF plugs. Bat gates will just be a base cost per unit. For future updating, I figured the rough percentage by labor and equipment/supplies. After going through the PUF plug exercise, I think it best to use the actual dimensions of the adit or decline and apply the appropriate cost per square foot. I also calculated labor and equipment/supplies for update purposes. Since PUF is the primary supply cost, you might like to know that the cost is \$220/yard (bag) and \$190/yard (barrel). Barrel is only used on large volume projects such as declines (production adits).

Let me know if you have any questions.

(See attached file: Bat gate costs.doc)

February 3, 2006

Cost data supplied by Ed Winchester and Dennis Dunham (Foam Concepts Inc.)

**Bat Gates:**

Small Adit

Gate size approximately 4' x 6', assumes competent rock and good access.

Standard steel construction.

Cost: \$5,500 for update purposes, use 60% labor and 40% supplies/equipment

Culvert Gate:

Use for incompetent rock. Must be accessible for heavy equipment including a low-boy

Cost: \$11,000 for update purposes, use 60% labor and 40% supplies/equipment

**PUF Plugs:**

Small Adit

Adit size approximately 6' x 6', average plug thickness is 5'

Cost: \$4,000 for update purposes, use 50% labor and 50% supplies/equipment

Cost per yard installed = \$600 (an easier way to do it is to use \$110 per square foot)

Large Adit

Large adit requires scaffolding or something similar and extra forms for update purposes, use 63% labor and 37% supplies/equipment

Cost per yard installed = \$675 (\$125 per square foot)

Production Drifts (Declines)

Large area with competent ground, assumes good access for heavy equipment

Approximate area is 10' x 16', minimum plug depth is 10'

for update purposes, use 25% labor and 75% supplies/equipment

Cost per yard installed = \$255 (\$93 per square foot)



July 31, 2006

To: Nevada Division of Environmental Protection (NDEP)  
Bureau of Land Management (BLM)  
Nevada Mining Association

Re: Analytical Costs in the event of Bond Forfeiture

Dear Sirs:

Below please find pricing for analytical work required in the event of bond forfeiture. These prices will remain valid through July 2007.

NDEP Profile 1 (incl WAD Cyanide).....	\$300
NDEP Profile 2 (incl WAD Cyanide) .....	\$350
WAD Cyanide .....	\$35
Acid Base Accounting (incl sulfur speciation) .....	\$125
MWMP Extraction (incl Profile 1 analysis) .....	\$370

Thank you for the opportunity to present this information. If you should have any questions or require additional information, please do not hesitate to contact me at 775-355-0202.

Sincerely,

Michelle Kramer  
President  
WETLAB-Western Environmental Testing Laboratory  
EPA Lab ID NV004

July 6, 2006

Mr. Russ Fields  
President  
Nevada Mining Association  
9210 Prototype Dr., Suite 200  
Reno, NV 89511

Re: Updated Information for Electric Power Costs

Dear Russ:

This letter provides information regarding power costs that may be helpful to members of Nevada's mining industry when estimating future costs for reclamation related activities. The information is presented in a summarized form, i.e., in terms of cents per kilowatt-hour by rate class and as a result, will have to be adjusted by each company to accurately reflect their own unique operations.

Earlier this year, the Public Utilities Commission of Nevada (PUCN) authorized a change in Sierra Pacific's rates, with the rates going into effect on May 1, 2006. These new rates were the result of the Commission's Order on Sierra's General Rate Application that was filed on October 1, 2005. These rates will remain in effect until Sierra's next application to change rates is adjudicated by the PUCN.

Under current regulations, Sierra is required to file a General Rate Application every two years and a Deferred Energy Application every year. The utility may also make additional filings to change rates if market or business conditions warrant.

Sierra's next General Rate Application is currently scheduled to be filed with the PUCN on October 1, 2007. If that Application results in a change in general rates, it is anticipated those changes will go into effect in approximately mid-2008.

Sierra currently anticipates it will file its next Deferred Energy Application (DEAA) with the PUCN on December 1, 2006. If that filing results in a change in rates, which could be an increase or decrease, those changes are expected to become effective in mid-2007.

In general, changes in rates or tariffs as a result of an Order by the Commission on a General Rate Application or a Deferred Energy Filing normally go into effect approximately six months after the date of the initial filing.

The table below shows (in bold type) the “overall effective electric rates” per kilowatt hour (kWh) for the GS-3 and GS-4 rate classes (which generally cover most mining operations) as a result of the decisions issued by the PUCN on Sierra’s most recent General Rate Application and Deferred Energy Filing.

<i>Rate Class</i>		<i>New Authorized Effective Rates</i>
GS-3		<b>\$0.110568</b>
GS-4		<b>\$0.094003</b>

The “New Authorized Effective Rates” were calculated by dividing total revenue by total annualized sales for each Rate Class. This calculation provides an “average” effective rate for each rate class. Then, as appropriate, an individual customer can modify this number to estimate an average rate per kWh that more accurately reflects their specific operations, energy usage and load characteristics.

The figures used in the current calculation are shown below and can found on Statement “O”, “Comparison of Present and Proposed Rate Revenue, 2005 GRC After Order, Docket No. 05-10003,” Page 8, under the column headings of “Total” (for total revenues) and “Sales” (for total annualized kWh sales). A copy of Statement “O” is included with this letter for your information and future reference.

New Authorized Effective Rates

$$\begin{aligned}
 \text{GS-3} & \quad \$141,230,144 \text{ (revenue)} \div 1,277,314,600 \text{ (kWh sales)} = \mathbf{\$0.110568} \\
 \text{GS-4} & \quad \$144,764,546 \text{ (revenue)} \div 1,539,998,217 \text{ (kWh sales)} = \mathbf{\$0.094003}
 \end{aligned}$$

Please note the “newly authorized effective rates” calculated above do take into account the Deferred Energy Accounting Adjustment (DEAA) charge of \$0.00525 per kWh which was authorized to remain in effect from June 1, 2005 through June 30, 2007.

The deferred account exists to record differences between the actual costs incurred by the utility for fuel and purchased power and the revenues the utility receives from its customers through fuel and purchased power rates. Since such differences can be either positive or negative, and since prices paid for fuel and purchased power can be volatile, it is very difficult to predict the level of this charge out into the future, beyond what has been formally approved and authorized by the PUCN.

Regarding the cost of removing powerlines that are no longer required at the end of a mining property’s life, estimates will vary significantly depending on location, terrain, travel time, equipment needed, etc. In addition, removal may not be necessary or beneficial if the lines have the potential to be used at some point in the future to provide electric service to other customers.

In those cases where removal is still determined to be appropriate, costs can range between \$10,000 and \$20,000 per mile, with \$15,000 being a reasonable average. This amount covers the removal of the lines, poles and associated fixtures, but does not cover any reclamation or environmental costs. This estimate is based on current labor (wages and benefits) contained in Sierra’s agreements with its represented employees. Such compensation has historically equaled or exceeded the prevailing wage and benefit

requirements established under both the Davis-Bacon Act and the prevailing wage laws in the State of Nevada, and it is anticipated this relationship will continue in the future.

Given the potential for future changes in the energy markets, regulatory environment, labor agreements, general business conditions, etc., predicting the future level and direction of electric rates and other costs involved in reclamation activities can be difficult. As a result, individual companies will want to take the information provided in this letter and modify it to incorporate their own projections regarding the potential impacts of inflation, local site-specific conditions, and changes in local business on future reclamation costs.

If you have questions regarding the above information, please give me a call at (775) 834-5247.

Thank you,



Gregory P. Lambert  
Major Account Executive

Encl: Sierra Pacific Power Company, Statement "O", Comparison of Present and Proposed Rate Revenue, 2005 GRC After Order, Docket No. 05-10003, Page 8 (Including Current DEAA)

CC: Jonathon Brown, Director Environmental and Regulatory Affairs, Nevada Mining Association  
Jim Collord, Principal Mining Specialist, Environscientists, Inc., and Member,  
Environmental Committee, Nevada Mining Association  
Trevor Dillard, Manager, Regulatory Services, Sierra Pacific Power Company  
Greg Brorby, Director Regional Hub Operations, Elko and Eastern District, Sierra Pacific Power Company  
John Owens, Manager Major Accounts, Sierra Pacific Power Company  
Robert Leal, Manager, Major Accounts, Nevada Power Company  
John Hargrove, Major Account Executive, Sierra Pacific Power Company  
Doug Johnston, Major Accounts Analyst, Sierra Pacific Power Company

Line No	Total		Including current: DEAA		Present Rate Revenue	Proposed Rate Revenue	% Change	Present Rate Revenue	Proposed Rate Revenue	% Change over Present Rate	BTER change	Total	
	---C---	---D---	---E---	---H---								sales	Total
9 DM-1	\$ 46,604,162.00	\$ 44,366,290.65	-4.80%	\$ 48,547,931.57	\$ 46,310,060.22	-4.61%	\$ 48,547,931.57	\$ 46,310,060.22	\$ 1,480,967.29	\$ 370,241,823	\$ 47,791,027.51	-1.56%	
10 D-1	\$ 226,081,369.29	\$ 226,089,146.31	0.00%	\$ 235,473,817.67	\$ 235,481,594.69	0.00%	\$ 235,473,817.67	\$ 235,481,594.69	\$ 7,156,151.15	\$ 1,789,037,787	\$ 1,789,037,787	3.04%	
11 GS-1	\$ 81,961,528.83	\$ 80,888,724.18	-1.31%	\$ 85,188,589.02	\$ 84,115,794.36	-1.26%	\$ 85,188,589.02	\$ 84,115,794.36	\$ 2,458,712.52	\$ 614,878,131	\$ 614,878,131	1.63%	
12 GS-2	\$ 177,025,902.32	\$ 173,008,254.21	-2.27%	\$ 185,175,237.66	\$ 181,157,689.55	-2.17%	\$ 185,175,237.66	\$ 181,157,689.55	\$ 6,207,263.68	\$ 1,551,815,919	\$ 1,551,815,919	1.18%	
13 GS-2TOU	\$ 49,650,544.17	\$ 49,566,993.10	-0.17%	\$ 52,100,659.56	\$ 52,017,108.49	-0.16%	\$ 52,100,659.56	\$ 52,017,108.49	\$ 1,866,754.58	\$ 466,688,645	\$ 466,688,645	3.42%	
14 GS-3	\$ 132,246,055.21	\$ 129,414,963.45	-2.14%	\$ 138,951,958.86	\$ 136,120,885.10	-2.04%	\$ 138,951,958.86	\$ 136,120,885.10	\$ 5,109,258.40	\$ 1,277,314,600	\$ 1,277,314,600	1.64%	
15 GS-4	\$ 133,383,796.39	\$ 130,519,562.46	-2.15%	\$ 141,468,787.03	\$ 138,604,553.10	-2.02%	\$ 141,468,787.03	\$ 138,604,553.10	\$ 6,159,992.87	\$ 1,539,998,217	\$ 1,539,998,217	2.33%	
16 OGS-1	\$ 588,868.75	\$ 580,095.53	-1.15%	\$ 615,174.65	\$ 608,401.44	-1.10%	\$ 615,174.65	\$ 608,401.44	\$ 21,566.41	\$ 5,891,602	\$ 5,891,602	2.40%	
17 OGS-2	\$ 7,819,552.99	\$ 7,196,336.87	-7.97%	\$ 8,175,599.53	\$ 7,552,393.41	-7.62%	\$ 8,175,599.53	\$ 7,552,393.41	\$ 271,273.56	\$ 67,818,390	\$ 67,818,390	-4.30%	
18 FSS	\$ 3,288,266.76	\$ 3,198,295.46	-2.74%	\$ 3,441,174.49	\$ 3,351,203.19	-2.61%	\$ 3,441,174.49	\$ 3,351,203.19	\$ 116,501.13	\$ 29,125,282	\$ 29,125,282	0.77%	
19 SFSS	\$ 38,208.13	\$ 38,799.03	1.55%	\$ 38,699.96	\$ 39,290.86	1.53%	\$ 38,699.96	\$ 39,290.86	\$ 374.73	\$ 93,682	\$ 93,682	2.50%	
20 IS-1	\$ 1,039,831.75	\$ 1,068,586.91	2.77%	\$ 1,081,858.26	\$ 1,110,613.42	2.66%	\$ 1,081,858.26	\$ 1,110,613.42	\$ 32,020.20	\$ 8,005,050	\$ 8,005,050	5.62%	
21 IS-2	\$ 8,104,456.93	\$ 8,752,813.49	8.00%	\$ 8,712,291.21	\$ 9,360,647.76	7.44%	\$ 8,712,291.21	\$ 9,360,647.76	\$ 463,111.82	\$ 115,777,956	\$ 115,777,956	12.76%	
22 WP	\$ 770,655.07	\$ 832,343.26	8.00%	\$ 810,811.16	\$ 872,499.34	7.61%	\$ 810,811.16	\$ 872,499.34	\$ 30,595.12	\$ 7,648,779	\$ 7,648,779	11.36%	
23 SL	\$ 3,905,086.20	\$ 3,695,300.64	-5.37%	\$ 3,982,698.41	\$ 3,772,911.85	-5.27%	\$ 3,982,698.41	\$ 3,772,911.85	\$ 59,132.35	\$ 14,783,088	\$ 14,783,088	-3.78%	
24 OLS	\$ 1,172,050.35	\$ 1,073,643.56	-8.40%	\$ 1,202,509.27	\$ 1,104,102.46	-8.18%	\$ 1,202,509.27	\$ 1,104,102.46	\$ 23,206.80	\$ 5,801,700	\$ 5,801,700	-6.25%	
25 ODM-1	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -		
26 OD-1	\$ 5,187.59	\$ 4,771.06	-8.03%	\$ 5,406.07	\$ 4,989.55	-7.70%	\$ 5,406.07	\$ 4,989.55	\$ 166.46	\$ 41,616	\$ 41,616	-4.63%	
27 DOS	\$ 1,347,710.84	\$ 895,958.03	-33.52%	\$ 1,347,710.84	\$ 895,958.03	-33.52%	\$ 1,347,710.84	\$ 895,958.03	\$ -	\$ 1,048,442,723	\$ -	-33.52%	
28													
29													
30 TOTAL	\$ 875,031,135.57	\$ 861,190,898.19	-1.58%	\$ 916,320,914.23	\$ 902,480,676.85	-1.51%	\$ 916,320,914.23	\$ 902,480,676.85	\$ 31,457,049.06	\$ 8,912,704,988.25	\$ 8,912,704,988.25	1.92%	

# OPIS Standard Rack Prices Monthly for 9/1/2005 - 8/31/2006

Date (Monthly)	High Sulfur #2	Low Sulfur #1	Low Sulfur #2	Low Sulfur Premium	Red Dye #1	Red Dye #2
	Salt Lake City UT Gross OPIS Average(¢/gal)	Salt Lake City UT Gross OPIS Average(¢/gal)	Salt Lake City UT Gross OPIS Average(¢/gal)	Diesel Salt Lake City UT Gross OPIS Average(¢/gal)	Salt Lake City UT Gross OPIS Average(¢/gal)	Salt Lake City UT Gross OPIS Average(¢/gal)
Sep-2005	247.50	264.21	250.71	252.43	264.35	251.20
Oct-2005	264.12	279.63	266.91	269.28	279.64	267.61
Nov-2005	219.86	232.17	220.40	223.03	231.87	220.24
Dec-2005	172.34	192.63	177.68	181.55	191.03	177.31
Jan-2006	185.82	208.28	189.84	193.99	208.30	190.66
Feb-2006	201.74	221.72	203.74	207.27	222.07	204.28
Mar-2006	191.02	213.13	195.79	200.64	213.41	196.43
Apr-2006	225.01	249.45	231.67	234.93	250.17	232.57
May-2006	249.95	271.19	254.18	256.19	272.17	254.06
Jun-2006	219.81	245.94	225.99	228.87	247.72	226.11
Jul-2006	229.58	253.33	234.05	238.24	252.18	234.45
Aug-2006	286.73	305.42	286.81	289.39	308.17	287.89

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**Red Dye #2  
12 Month  
Average**

**228.57**

**Contractor and Operator Certification  
of  
Exploration/Mining Operation  
Reclamation Cost Estimate for Federal lands.**

I, Brandon Slater of Slater Seeding Inc. hereby certify under penalty of 18 USC §1001, that I am a Licensed Nevada Contractor, I certify that I am licensed by the State of Nevada to provide bids and estimates for the type and scope of mine reclamation work to be performed as outlined in my estimate. My submitted reclamation estimate and its hourly rates are based on Davis-Bacon (Federal land) or Nevada Labor Commission (Private land) labor rates and include FICA, Medicare, State Workers Compensation Insurance, State Unemployment Insurance, Federal Unemployment Tax (FUTA), Liability Insurance, Bond Premium Costs (if applicable), and my overhead and profit.

Signed: Brandon Slater Title: President

Date: 8/30/06 \$ 139.50 / Acre

I, Brandon Slater of Slater Seeding Inc. hereby certify under penalty of 18 USC §1001, that I have reviewed, or caused to have reviewed, the above contractor's reclamation cost estimate for my project and I concur with the material facts and statements contained therein.

Signed: Brandon Slater Title: President

Date: 8/30/06

NOTE: Title 18 USC §1001 provides that:

*"Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up any by any trick, scheme, or device a material fact, or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both."*



# Fax Transmission

580 W. Silver Street ♦ Elko, NV ♦ 89801  
775-753-4414 ♦ 775-753-5308 FAX  
www.wdcexploration.com

To: **Mr. Jeff Parshley** From: **Darrell Tweidt**

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Fax: Date: **12/23/2005**

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Phone: Pages: **4**

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Re: CC:

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WDC #

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- Urgent     For Review     Please Comment     Please Reply     Please Recycle

Please find an attached letter evaluating well decommissioning in the State of Nevada per State guidelines and based on Davis Bacon wage rates.

If you have any questions please feel free to contact our office.

Sincerely

Darrell Tweidt

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**Quality Drilling Services Since 1949**  
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**Well Development & Abandonment**

- Company Headquarters ♦ 500 Main Street, Woodland, CA 95695 ♦ 530-668-7540 ♦ fax 530-662-1592
- Northern California Office ♦ 9580 County Road 93B, Zamora, CA 95698 ♦ 530-662-2829 ♦ fax 530-662-8052
- Southern California Office ♦ 5566 Arrow Highway, Montclair, CA 91763 ♦ 909-931-4014 ♦ fax 909-931-4017
- Arizona Office ♦ 1421 South 35<sup>th</sup> Avenue, Phoenix, AZ 85009 ♦ 602-254-6586 ♦ fax 602-254-6648
- Minnesota Office ♦ 17307 jCo. Rd. 7 NW, Clearwater, MN 55320 ♦ 320-558-9430 ♦ fax 320-588-9434
- Montana Office ♦ 1380 Story Mill Rd., Bozeman, MT ♦ 406-582-8892 ♦ fax 406-522-3822
- New Mexico Office ♦ 3621 Highway 47, Peralta, NM 87042 ♦ 505-865-5222 ♦ fax 505-865-5151
- Texas Office ♦ 11757 Katy Freeway, Suite 1300 ♦ Houston, TX 77079 ♦ 281-854-2026 ♦ fax 281-854-2226



December 21<sup>st</sup>, 2005

Mr. Jeff Parshley

SRK Consulting  
5250 Neil Road  
Suite 300  
Reno, Nevada 89502

Re: Well decommissioning

Dear Mr. Parshley:

WDC Exploration and Wells is pleased to submit the attached proposal for the well decommissioning procedures and associated costs per State guidelines in the State of Nevada.

If you have any questions please feel free to contact our office.

Sincerely

A handwritten signature in black ink, appearing to read 'Darrell Tweidt', is written over the word 'Sincerely'.

Darrell Tweidt  
National Sales Director  
Water Resources Group

**Break down for well decommissioning based on Davis Bacon wage rates**

In reference to the protocol for the decommissioning and abandonment of existing wells on various sites throughout Nevada per State guidelines please review the following line items that will constitute the steps for completing this work.

**A) Mobilization/ Demobilization-**

The following punch list constitutes the activity

- Preparation for the project
- Mobilization to the project
- Perforator rentals and associated replacement wheel costs
- Perdiem for the project
- File DWR reports
- Demobilize from the site

**B) Field hourly rate charges**

- Moving between sites (estimate ½ to 1 hour per well)
- Set up over well (estimate ½ to 1 hour per event)
- Trip in drill pipe to where perforating is to commence
- Following perforating trip out drill pipe
- Rig down and prepare to move to the next site
- Water hauling for grout additives

**C) If there is a dedicated pump in the well the following steps will be taken prior to well abandonment**

- If there is a Submersible pump in the well the associated costs to remove the pump will be \$ 6.00/ foot to depth of pump.
- If there is a Line shaft pump the associated costs to remove the pump will be \$ 14.00/foot to depth of pump.
- Pump setting depths are historically less than the total well depths and usually placed in the blank casing portion of the wells
- This assumes that the dedicated pumps are not salvageable when removed.

**D) Well casing perforating preparation for abandonment**

- Based on State requirements the well casings will be abandoned in the following manner:
- State requirements require a certain amount of open area of perforations per diameter of well.
- Based on this information the following well diameters have associated perforating time lines
  - 1" wells can not be perforated (no perforator exists) only pressure grout
  - 2" wells can not be perforated (no perforator exists) only pressure grout
  - 4" wells can be pvc or steel
  - 4" pvc wells perforating rates of 100 feet per hour
  - 4" steel well perforating rates of 240 feet per hour
  - 6" steel wells perforating rates of 240 feet per hour
  - 8" steel wells perforating rates of 200 feet per hour
  - 12" steel wells perforating rates of 150 feet per hour
  - 18" steel wells perforating rates of 40 feet per hour

**E) Compensation rates for equipment and crews based on a three man crew**

**-Equipment rate:**

Drill rig rate of 257.56/ hour

**-Wage rates:**

Crews will consist of a driller and two helpers and the compensation for there wages will be based on the Davis Bacon wage rates for the County which they will be conducting the abandonment services.

**F) Well grouting rates are as follows:**

WDC assumes that 5.33 cy of grout can be installed per hour