

July 27, 2010

Mr. Shawn Gooch
NEVADA DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF MINING REGULATION
 901 So. Stewart Street
 Suite 4001
 Carson City, Nevada 89701-5249

Dear Shawn;

THANK YOU for your request for current rental rates and associated costs for 2010. Listed below are the machines you requested information for.

MACHINE	DAILY RATE	WEEKLY RATE	MONTHLY RATE 176 SMU HRS	PM COST PER HOUR	G.E.T. COST PER HOUR	FUEL USE PER HOUR
TRACTORS						
D3G (K)	\$370.00	\$1,255.00	\$3,845.00	\$3.39	\$1.33	3.25
D4G (K)	\$375.00	\$1,485.00	\$4,395.00	\$4.94	\$1.51	3.50
D5G (K)	\$520.00	\$2,025.00	\$5,935.00	\$5.48	\$1.79	3.65
D5N	\$655.00	\$2,255.00	\$6,595.00	\$6.32	\$2.78	4.00
D6N	\$705.00	\$2,525.00	\$7,235.00	\$6.72	\$3.36	4.75
D6R	\$960.00	\$3,355.00	\$9,895.00	\$6.56	\$4.15	6.80
D7R	\$1,295.00	\$4,540.00	\$13,855.00	\$6.59	\$6.16	7.50
D8T	\$1,515.00	\$5,570.00	\$17,820.00	\$7.05	\$7.98	10.20
D9T	\$2,185.00	\$7,585.00	\$21,725.00	\$8.81	\$12.40	13.15
D10T	\$2,635.00	\$9,130.00	\$28,050.00	\$9.91	\$17.32	18.50
D11R (T)	N/A	N/A	\$54,000.00	\$12.17	\$25.74	25.80
EXCAVATORS						
301C	\$150.00	\$570.00	\$1,725.00	\$2.17	\$2.30	.41
302C	\$158.00	\$630.00	\$1,880.00	\$2.24	\$2.44	.55
303CC	\$230.00	\$865.00	\$2,565.00	\$2.34	\$2.53	1.15
304C	\$285.00	\$1,055.00	\$3,190.00	\$2.47	\$2.56	1.38
305C	\$310.00	\$1,125.00	\$3,555.00	\$2.45	\$2.65	1.63
307C	\$325.00	\$1,280.00	\$3,775.00	\$3.12	\$2.68	1.65
308C	\$330.00	\$1,320.00	\$3,960.00	\$3.24	\$2.79	1.75
312C	\$390.00	\$1,555.00	\$4,645.00	\$3.20	\$3.01	1.87
313C	\$430.00	\$1,585.00	\$4,780.00	\$3.14	\$3.38	2.00
314C	\$460.00	\$1,595.00	\$4,645.00	\$4.19	\$3.38	2.00
315C	\$555.00	\$1,945.00	\$5,925.00	\$5.25	\$3.54	2.85
320C	\$635.00	\$2,215.00	\$7,240.00	\$5.41	\$3.76	4.90
325D	\$840.00	\$2,865.00	\$7,885.00	\$5.53	\$4.74	7.10
330D	\$970.00	\$3,350.00	\$9,180.00	\$5.83	\$5.23	9.10
EXCAVATORS						

(con't)						
345C	\$1,270.00	\$4,485.00	\$10,800.00	\$6.94	\$5.99	10.50
385C	\$2,245.00	\$7,780.00	\$22,140.00	\$7.88	\$10.92	17.70
SCRAPERS						
613C	\$980.00	\$3,395.00	\$8,625.00	\$6.11	\$3.69	6.00
615C	\$1,325.00	\$4,485.00	\$12,595.00	\$6.55	\$4.85	8.75
631G	\$2,475.00	\$8,830.00	\$23,460.00	\$8.16	\$6.81	14.75
637G	N/A	N/A	\$32,140.00	\$11.66	\$8.55	23.75
WATER WAGON						
613 (5,000 GAL)	\$910.00	\$3,080.00	\$9,235.00	\$6.11	NA	10.75
621 (8,000GAL)	\$1,375.00	\$4,870.00	\$14,575.00	\$6.90	NA	10.75
WATER TOWER						
MPT-10 (10k GAL)	\$150.00	\$450.00	\$1,300.00	NA	NA	NA
MPT-12 (12k GAL)	\$175.00	\$500.00	\$1,600.00	NA	NA	NA
OFF-HWY TRUCK						
770 (35-TON)	N/A	N/A	\$14,000.00	\$8.27	\$2.71	9.45
773F (50-TON)	N/A	N/A	\$21,000.00	\$9.85	\$3.24	13.10
777F (85-TON)	N/A	N/A	\$28,000.00	\$12.37	\$3.62	17.20
LDR/BACKHOE						
416	\$300.00	\$1,045.00	\$2,760.00	\$3.84	\$2.63	2.75
420	\$340.00	\$1,255.00	\$3,045.00	\$3.85	\$2.90	2.85
430	\$365.00	\$1,305.00	\$3,295.00	\$3.84	\$2.99	3.25
446	\$445.00	\$1,735.00	\$5,245.00	\$4.02	\$3.06	3.70
COMPACTORS						
815	\$1,045.00	\$3,685.00	\$10,945.00	\$6.89	\$6.74	10.25
825	\$1,520.00	\$5,280.00	\$16,775.00	\$6.38	\$8.32	16.00
HAMMERS						
H-70 (fits 416/436)	\$265.00	\$1020.00	\$2,268.00	N/A	\$2.13	NA
H-100 (fits 446/315)	\$335.00	\$1,340.00	\$4,220.00	N/A	\$3.39	NA
H-115 (fits 312/320)	\$400.00	\$1,600.00	\$4,800.00	N/A	\$4.19	NA
H-120 (fits 315/325)	\$420.00	\$1,600.00	\$4,840.00	N/A	\$4.73	NA
H-140 (fits 325/345)	\$550.00	\$2,200.00	\$6,870.00	N/A	\$5.80	NA
H-160 (fits 330/345)	\$680.00	\$2,720.00	\$8,100.00	N/A	\$9.25	NA
H-180 (fits 345/385)	\$850.00	\$3,400.00	\$10,100.00	N/A	\$10.96	NA

**INTEGRATED
TOOL CARRIERS**

IT-14G	\$370.00	\$1,315.00	\$3,825.00	\$4.73	\$2.90	2.25
IT-24	\$415.00	\$1,520.00	\$4,540.00	\$5.12	\$3.54	2.75
IT-28	\$455.00	\$1,790.00	\$5,370.00	\$5.47	\$3.66	3.50
IT-38G	\$525.00	\$2,365.00	\$6,345.00	\$5.48	\$4.48	4.00
IT-62	\$750.00	\$3,025.00	\$8,565.00	\$5.89	\$8.56	4.45

MOTORGRADERS

140M	\$855.00	\$2,965.00	\$8,140.00	\$6.15	\$8.58	4.90
14M	\$1,185.00	\$4,235.00	\$12,430.00	\$6.58	\$12.39	6.80
16M	\$1,625.00	\$6,490.00	\$18,425.00	\$5.30	\$16.94	8.80

**WHEEL
LOADERS**

914	\$345.00	\$1,380.00	\$3,660.00	\$5.20	\$2.88	2.25
924	\$405.00	\$1,535.00	\$4,615.00	\$5.18	\$3.58	2.75
928	\$465.00	\$1,755.00	\$5,495.00	\$5.32	\$3.70	3.50
938	\$535.00	\$2,035.00	\$5,995.00	\$5.44	\$4.54	4.00
950	\$805.00	\$2,845.00	\$7,645.00	\$5.55	\$6.88	4.25
962	\$875.00	\$3,185.00	\$8,305.00	\$5.89	\$8.64	4.45
966	\$1,205.00	\$4,285.00	\$10,890.00	\$5.82	\$8.64	5.75
972	\$1,205.00	\$4,285.00	\$11,990.00	\$6.09	\$9.49	6.25
980	\$1,370.00	\$4,730.00	\$13,090.00	\$6.46	\$10.93	7.50
988	\$1,915.00	\$6,655.00	\$20,350.00	\$9.44	\$11.69	12.70
992	N/A	N/A	\$42,300.00	\$13.31	\$27.69	23.00

TRACK LOADER

963	\$1,420.00	\$4,250.00	\$12,730.00	\$6.13	\$6.22	5.5
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**ARTICULATED
TRUCK**

735	\$1,100.00	\$4,400.00	\$11,000.00	\$9.12	\$2.57	7.35
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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 40)**, Owing & Operating Costs, Section 20, using the 'average' or 'medium' consumption levels for the most current models. 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/T,

D9R/T, 988G/H, 992G, 777 and 385B/C-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.) are not included in the rental rates.

Approximate assembly and disassembly costs for the machine will vary due to the Minesite location and the availability of cranes and/or lifting equipment; however, reasonable estimates for the D10R/T would be \$2,500.00, each the assembly and disassembly; 992G-\$10,000; 777F-\$10,000.00 and the 385-\$6,500.00. Specific assembly/disassembly costs also may be more or less if the machines do not have to have significant assembly/disassembly to transport. The transport costs can vary due to the time of year (frost limitations) and the specific roadway (width, height, length and weight restrictions). That in mind, the rates shown should cover the maximum amounts needed for each machine, each procedure.

It is worth noting that rental rates and internal labor rates used to compute these values did not escalate from 2008. This allows us to keep the assembly and disassembly costs static. We did, however, we did see some variances in parts pricing, but it was less than last year.

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

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

With Best Regard
CASHMAN EQUIPMENT,



Tony Araquistain
Mine Sales Rep

Shawn Gooch

From: Matt Johnson [Matt.Johnson@purcelltire.com]
Sent: Wednesday, July 28, 2010 11:17 AM
To: Shawn Gooch
Subject: RE: Nevada Standardized Reclamation Cost Estimator (SRCE) 2010 Tire Costs

Attachments: C 2009 Update Jeff Parshley Project.xls



C 2009 Update Jeff
Parshley Pr...

I have updated the spread sheet with current cost increases. These prices will continue to rise The first and second quarter of next year at the very least. We are expecting to see another tire shortage within the next six months. Let me know if there is anything else you need.

Matt Johnson
Regional Director of Global Mining

Global Mining Group
1505 Newlands Drive East
Fernley, NV 89408
(775) 575-3321 (o)
(775) 848-9850 (m)
(775) 575-3329 (f)
matt.johnson@purcelltire.com

Equipment	Tire Size	# of Tires Per Piece of Equipment	July 2010 Cost Per Tire	Tire Cost (1)(2)	Life Expectancy Hours (Low/Zone A) (3)	Tire Cost per Hour
Motor Graders						
140H	17.5R25	6	\$ 5,056.84	\$ 30,341.06	3,500	\$8.67
14H	20.5R25	6	\$ 5,656.24	\$ 33,937.46	3,500	\$9.70
16H	23.5R25	6	\$ 6,805.89	\$ 40,835.31	3,500	\$11.67
Trucks						
Dump Truck (10-12 yd ³)						
769D	18.00R33	6	\$ 7,162.67	\$ 42,976.03	6,000	\$7.16
773E	24.00R35	6	\$ 12,043.50	\$ 72,261.00	6,000	\$12.04
777D	27.00R49	6	\$ 15,057.94	\$ 90,347.66	5,000	\$18.07
Scrapers						
613C	18.00R25	4	\$ 5,356.54	\$ 21,426.17	4,000	\$5.36
615C	26.5R25	4	\$ 6,872.49	\$ 27,489.94	4,000	\$6.87
631G	37.25R35	4	\$ 15,346.54	\$ 61,386.17	4,000	\$15.35
637G PP	37.25R35	4	\$ 15,346.54	\$ 61,386.17	4,000	\$15.35
Wheeled Loaders						
914G	17.5R25	4	\$ 5,055.26	\$ 20,221.03	4,500	\$4.49
924G	17.5R25	4	\$ 5,055.26	\$ 20,221.03	4,500	\$4.49
928G	17.5R25	4	\$ 5,055.26	\$ 20,221.03	4,500	\$4.49
938G	20.5R25	4	\$ 5,656.24	\$ 22,624.97	4,500	\$5.03
950G	23.5R25	4	\$ 6,805.89	\$ 27,223.54	4,500	\$6.05
962G	23.5R25	4	\$ 6,805.89	\$ 27,223.54	4,500	\$6.05
966G	26.5R25	4	\$ 10,663.93	\$ 42,655.71	4,500	\$9.48
972G	26.5R25	4	\$ 10,663.93	\$ 42,655.71	4,500	\$9.48
980G	29.5R25	4	\$ 13,534.07	\$ 54,136.29	4,500	\$12.03
988G	35/65-33	4	\$ 18,066.04	\$ 72,264.17	4,500	\$16.06
992G	45/65R45	4	\$36,094.03	\$ 144,376.11	4,500	\$32.08
Backhoes						
FRONTS						
416D 4WD	340/80R18-195LR24	2	\$ 607.33	\$ 1,214.66	3,000	\$0.40
420D 4WD	340/80R18-195LR24	2	\$ 607.33	\$ 1,214.66	3,000	\$0.40
430D 4WD	340/80R18-195LR24	2	\$ 607.33	\$ 1,214.66	3,000	\$0.40
446D 4WD	15R19.5-21LR24	2	\$ 405.94	\$ 811.89	3,000	\$0.27
REARS						
		2	\$ 1,198.80	\$ 2,397.60	3,000	\$0.80
		2	\$ 1,198.80	\$ 2,397.60	3,000	\$0.80
		2	\$ 1,198.80	\$ 2,397.60	3,000	\$0.80
		2	\$ 835.67	\$ 1,671.34	3,000	\$0.56
Other Equipment						
Supervisor's Truck (Pickup)		4	\$ -	\$ -		
613E (5,000 gal) Water Wagon	23.5R25	4	\$ 4,403.53	\$ 17,614.11	6,000	\$2.94
621E (8,000 gal) Water Wagon	33.25R29	4	\$ 11,602.67	\$ 46,410.69	8,000	\$5.80
Notes:						
1) Total cost for all required tires.						
2) Source: Purcell Tire & Rubber Company 07/28/2010						
3) Caterpillar Handbook, Edition 34; Estimated Tire Life Curves Ch. 20						

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	Product Code	Description	List Price
	B201090	50# 3/4 Chunk Bentonite Hole Plug	\$6.60
	B100013692	94 LB Bag Type I-ii Cement	\$11.90 call store (why?) see phone memo below
	B201918	50# Abantonite	\$12.15

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(build 2.0 served at 02)

Phone Memo:

July 15, 2010:

Shawn Gooch, BMRR TO RUSS at Ferguson Winnimucca?

Price for 94lb Bag Type I-II cement in 2009 is valid for 2010 SRCE at \$11.90/bag





July 13, 2010

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

Re: Analytical costs in the event of a Bond Forfeiture.

To whom it may concern,

Below please find pricing for the analytical work required in the event of a bond forfeiture. These prices will remain valid through July 2011.

NDEP Profile I (including Wad Cyanide.....)\$325.00
NDEP Profile II (including Wad Cyanide.....)\$375.00
WAD Cyanide.....\$35.00
Acid Based Accounting (includes sulfur speciation)...\$125.00
MWMP Extraction (including Profile I analysis).....\$395.00

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 us.

Sincerely,

Cassie Cummings
Client Services Manager
Western Environmental Testing Laboratory
EPA Lab ID NV00925

Shawn Gooch

From: Bill Agnew [bill@graniteseed.com]
Sent: Thursday, July 01, 2010 3:43 PM
To: Shawn Gooch
Subject: RE: 2010 SRCE Cost Data Update
Attachments: image001.png

Shawn:

Find the following pricing for erosion and sediment control products used for bonding purposes by BLM an BMRR

Item	Price/Unit
Conwed 1000 mulch (based on truckload quantities = 22 tons)	\$ 510.00/ton (\$ 12.75/bag)
M-binder tackifier (based on minimum pallet order = 2,000 #'s)	\$ 0.70/#
Sustain (4-6-4) or Biosol mix (7-2-3) fertilizer (based on minimum pallet order = 2,000 #'s (Sustain) or 2,200 #'s (Biosol mix)	\$ 0.70/#

If you have questions or need additional information, please let me know.

Bill Agnew
Granite Seed and Erosion Control



Douglas Johnston
Major Accounts Executive

6100 Neil Road, P. O. Box 10100 • Reno, Nevada 89520-0024 • 775.834.5248 • Fax: 775.834.3358

July 29, 2010

Mr. Tim Crowley
President
Nevada Mining Association
9210 Prototype Drive, Suite 200
Reno, NV 89511

Re: Electric Power Costs – Updated Information (Effective January 1, 2011)

Dear Tim:

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 ("kWh") by rate class and as a result, will have to be adjusted by each company to accurately reflect their own unique operations.

On June 1, 2010, NV Energy ("NVE") filed a mandated electric General Rate Case ("GRC") with the Public Utilities Commission of Nevada ("PUCN") seeking a change in rates to become effective January 1, 2011. The rates filed for in the current GRC are 3.4% and 9.9% higher than current rates for GS3 and GS4, respectively. All though it is not known at this time what decisions will be made regarding the rates filed, we believe it is appropriate to provide you with these rates as a conservative approach to determining reclamation costs.

The table below shows the "overall effective rates" per kWh for the GS2TOU, GS3, and GS4 rate classes.

RATE CLASS:	PREVIOUS 2009	CURRENT 2010
GS2TOU		\$ 0.10604
GS3	\$ 0.11241	\$ 0.10107
GS4	\$ 0.09139	\$ 0.08464

These rates were calculated using information filed with the PUCN, by dividing the total proposed revenues by total annualized sales for each rate class.

Proposed Rates (Effective January 1, 2011):

GS2TOU	\$49,662,371 (revenues) ÷ 468,346,744 (kWh sales) = \$.10604
GS3	\$104,432,792 (revenues) ÷ 1,033,256,118 (kWh sales) = \$.10107
GS4	\$25,172,959 (revenues) ÷ 297,418,154 (kWh sales) = \$.08464

An individual customer can take the results shown above and, as appropriate, modify the “average” effective rate to estimate a rate per kWh that more accurately reflects their specific operations, energy usage and load characteristics. Please note that, if operations at a mine-site are placed in “reclamation-mode”, usage would likely change and could place them in a rate class other than that which is currently applicable. For example, a customer currently assigned a GS3 rate class in “operational-mode”, might use less energy in “reclamation-mode” and be assigned to a higher cost GS2TOU rate class. To determine the appropriate rate class based on consumption/load, please refer to the NVE tariffs as shown at <http://nvenergy.com/company/rates/nnv/electric/schedules/> of the company’s website.

Please note that the “average” rate reported above does not take into account future rate changes that may be authorized through the Deferred Energy Accounting Adjustment (“DEAA”) process, or through the quarterly Base Tariff Energy adjustment mechanism. To summarize this process, the energy portion of rates can change quarterly based on the prices paid for fuel and purchased power. Since these prices can be volatile, it is very difficult to predict the amount of this charge out into the future, beyond what has been formally approved and authorized by the PUCN. We expect this portion of rates to change on October 1, 2009, but cannot predict the outcome at this time.

Given the potential for future changes in energy markets, regulatory environments, labor agreements, and general business conditions, 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.

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

In those cases where removal is determined to be appropriate, costs for removal of power lines can vary greatly with costs ranging from between \$25,000 and \$50,000 per mile. This would cover removal of the lines, poles and associated fixtures. However, it would not cover any reclamation or environmental costs. This estimate is based on current labor (wages and benefits) contained in NVE’s agreements with its represented employees. Such compensation has historically equaled or exceeded the prevailing

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

If you have any questions regarding the above information, please give me a call at (775) 834-5248.

Thank you,



Doug Johnston
Major Accounts Executive
Major Accounts Department
NV Energy
6100 Neil Road, P. O. Box 10100
Reno, NV 89520-0024
djohnston@nvenergy.com

cc: Doug Barto, Chairman, Environmental Committee, Nevada Mining Association
Lauren Arends, Membership Services Coordinator, Nevada Mining Association
Lorelei Reid, Staff Analyst, Rates and Regulatory Affairs, NV Energy
Greg Brorby, Director Regional Hub Ops, Elko & Eastern District, NV Energy
Robert Leal, Director, Major Accounts, NV Energy
Charlene Booth, Manager, Major Accounts, NV Energy
John Hargrove, Major Account Executive, NV Energy