



NEVADA DIVISION OF  
**ENVIRONMENTAL  
PROTECTION**

**STATE OF NEVADA**  
Department of Conservation & Natural Resources  
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The Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (BMRR) and Bureau of Land Management have been updating the Standardized Reclamation Cost Estimator (SRCE) cost data file since at least 2010.

After the SRCE cost data file is published each August, BMRR uses a reference Reclamation Cost Estimate (RCE) to compare the current cost data file against previous years (excluding Mob/Demob and Process Fluids Cost Estimator (PFCE) tools). Here are the results:

Annual Comparison	Percent
2018 - 2010	+9.57%
2018 - 2011	+1.77%
2018 - 2012	+1.48%
2018 - 2013	+1.24%
2018 - 2014	+0.45%
2018 - 2015	+2.59%
2018 - 2016	+6.23%
2018 - 2017	+5.45%

The 5.5% increase from 2017 to 2018 is primarily attributable to the following changes:

- 17.8% increase of fuel costs (from \$1.99 per gallon to \$2.42 per gallon).
- 1.9% increase of monthly equipment rental rates. 3.7% increase of weekly rental rates.
- 7% increase of tire costs.
- 30% or more increase for assembly/disassembly of large equipment mob/demob.

Over the years we have observed that the SRCE costs are closely tied to fuel prices. If fuel prices increase, the overall RCE will generally increase. If fuels prices decrease, the overall RCE will generally decrease. Since 2016 we have seen an increase in fuel price from \$1.73 to \$1.99, to \$2.42 per gallon. This also affects the price of tires, lubricants, and other petroleum-based products. See the attached graph depicting the correlation in overall RCE values.

The monthly equipment rental assumptions also changed this year, resulting in increased equipment costs. The dollar amount for monthly rental did not fluctuate much, but changing from a 176 SMU-hour month to 160 SMU-hour month effectively increases hourly equipment costs by approximately 10 percent. Example: D10 rental rate of \$182/hour with 176 SMU-hour month has increased to \$200/hour with 160 SMU-hour month. Even with that change, the equipment costs are not substantially different than those of the past. Since 2010, equipment costs have made up between 54% and 59% of the comparison RCE (before adding indirect costs). The 2018 equipment costs is squarely within that range at 57%.

Not all costs increased in the 2018 cost data file: Labor rates more or less remained the same, along with most Material costs and Miscellaneous Unit Costs. Pump rental rates decreased by an average of 57%, which will primarily be reflected in the PFCE tool.

Year	RCE Value	Fuel Price
2007	\$ 103,711,124	
2008	\$ 107,667,960	
2009	\$ 106,722,679	\$ 2.36
2010	\$ 107,246,707	\$ 2.30
2011	\$ 115,463,901	\$ 2.94
2012	\$ 115,799,607	\$ 3.35
2013	\$ 116,073,670	\$ 3.34
2014	\$ 116,986,033	\$ 3.38
2015	\$ 114,546,545	\$ 2.64
2016	\$ 110,183,378	\$ 1.73
2017	\$ 111,102,296	\$ 1.99
2018	\$ 117,508,445	\$ 2.42

