



ANNUAL COMPARISON

August 01, 2023

The Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (BMRR) and Bureau of Land Management (BLM) cooperatively update the Standardized Reclamation Cost Estimator (SRCE) cost data file by August 1st each year. Since 2007, BMRR has used a reference Reclamation Cost Estimate (RCE) to compare the current cost data file against previous years (excluding Mob/Demob and Process Fluids Cost Estimator tools). Here are the results over the last five years:

Annual Comparison	Percent
2023 - 2018	25.98%
2023 - 2019	18.04%
2023 - 2020	18.30%
2023 - 2021	20.57%
2023 - 2022	4.90%

The 2023 cost data file reflected an overall increase of approximately 5% from 2022, primarily attributable to the following items:

- 3.15% decrease in materials costs
- 7.31% increase in equipment costs
- 3.05% increase in labor costs

Material unit costs decreased slightly in 2023, except for monitoring costs (27.6% increase) and well abandonment grout (20% increase). Note that costs for HDPE 60 mil decreased 8.2% and seed mix costs remained consistent.

Monthly equipment rental rates increased across the board by an average of 10.4% in 2023. The "Equipment" category also includes fuel, tires, and other maintenance items. Fuel prices increased approximately 16% (from \$3.38 per gallon to \$3.91 per gallon), tire prices increased by an average of 8.5%, and maintenance and equipment wear decreased by an average of 8.8% from 2022 to 2023. The overall result was an increase of 7.3% for equipment-related costs, as shown above.

The U.S. Department of Labor updates the Davis-Bacon wage determinations on 2- to 4-year intervals. Note that approximately 50% of the job classifications remained unchanged. The remaining job classifications showed a slight increase of 4.73% in 2023, based on a labor rate average for Clark County and Elko County. The largest labor rate increases were observed for electricians in Elko County and truck drivers in Clark County.

Empirical observations have shown that reclamation costs are closely correlated to the price of fuel. The cost data file uses an annualized average price from June of 2022 through May of 2023. The attached graph shows a comparison of fuel prices and reclamation costs between 2007 and 2023.

