

Miller, Debra

From: Ralph Knode <ralph@stratawyo.com>
Sent: Friday, February 15, 2013 2:35 PM
To: Tim Mentz Sr.
Cc: wyoung@standingrock.org; realbighead@hotmail.com; tclouthier@standingrock.org; Hsueh, Kevin; Moore, Johari
Subject: RE: thoughts on proposal
Attachments: 02-15-13 ltr to Mentz FINAL.pdf

Dear Tim:

Thank you for your feedback and continued correspondence regarding the Ross project. Based on your email of February 9, 2013, it is clear that you are lumping Strata together with others in the industry with whom you have not had a positive experience. While I respect your caution based on your past practical experience, I strongly object to any assertion that Strata has in any way sought to circumvent the Section 106 process.

In keeping with its core values, Strata continues to strive to set the standard for the industry with regard to best practices in ISR licensing, public outreach, and activities associated with the Section 106 process. During tribal visits and follow-up contact since 2011, we have many times heard from tribal members about the need for increased respect, transparency and trust in processes such as Section 106. Those are values we hold very high here at Strata, and it is in the spirit of fostering an ongoing relationship in keeping with those values that we reached out directly to you.

As the public record clearly shows, Strata has repeatedly and consistently gone above and beyond to support the Section 106 process and to see that the interests of the Tribes were fully considered. While we understand that Section 106 consultation is a "government-to-government" process between the Tribes and NRC, Strata has worked over the past two years to support and facilitate that process by continuously and consistently working to establish proactive communications and engender strong trust relationships between all parties. As evidenced by our persistence in inviting your evaluation of the Ross site, we are absolutely committed to fulfilling both the letter and intent of the Section 106 requirements to the fullest extent possible.

Our concerns regarding the quoted cost of the site survey are in no way a reflection on the quality of your services. Furthermore, [REDACTED] figure I proposed is in no way based on amounts offered by any other company for consultation; rather, that figure was developed internally according to our own financial considerations. Included in these considerations is the history of the Section 106 process on our project as well as others, which as you know has routinely been delayed or extended. While I understand that these extended timeframes have sometimes been necessary to ensure Tribes were properly consulted under the Section 106 guidelines, in order to accurately budget the resources and finances necessary to complete the Section 106 process, we have to consider that these delays have been the rule rather than the exception.

In short, our concern is that we could invest a significant cost in the consultation process, including the amount quoted for your services, only to hit another snag in the process and nullify the work that you, the other Tribes, NRC and Strata have completed together. We remain fully committed to supporting good faith consultation; however, we are approaching costs conservatively to protect the time, effort and finances already invested in the project.

I want to particularly address your reference to "suspicious marks" on the ground near where testing was conducted at the Ross site. You draw a parallel to other sites where you have seen "rock pickers erasing evidence of stone features significant to Tribes just so landowners can develop their lands when there is federal oversight." Such subversive tactics to sidestep identification under Section 106 are in clear violation of our company values and of our desire to set the industry standard. I can assure you that no such actions have taken place on Strata's watch, and if we had any knowledge of such actions, we would immediately report them to the appropriate authorities. Permitting an operation like ours may be an extensive process, but we are dedicated to doing it right.

I have approved the invoice for your visit to the Ross site and have submitted it for payment. I hope we are able to continue working together on this project, as I believe there is an opportunity here for Strata and the Tribes together to demonstrate how the Section 106 *should* be conducted; a result which would benefit the Tribes as well, by providing a template for federal agencies to improve other Section 106 actions. To that end, the NRC is currently evaluating the potential for an open-site approach where interested Tribes would be provided an unconditional grant or honorarium to engage in and report upon the identification of any historic and cultural properties as agreed upon in consultation among participating agencies and Tribes. We hope that you will take advantage of this opportunity to build upon your initial site visit.

Please do not hesitate to contact me if you have any further questions or comments. I look forward to continuing our discussions on facilitating consultation for the Ross Project.

Best regards,

Ralph Knode

Chief Executive Officer

Strata Energy Inc

(307) 686-4066

cc: Tim Mentz Jr., Makoche Wowapi

Wašté Win Young, Tribal Historic Preservation Officer, Standing Rock Sioux Tribe

Terry Clouthier, Tribal Archaeologist, Standing Rock Sioux Tribe

Kevin Hsueh, Branch Chief, Environmental Review Branch
US Nuclear Regulatory Commission

Johari Moore, Project Manager, FSME/DWMEP/Environmental Review Branch

US Nuclear Regulatory Commission

From: Tim Mentz Sr. [mailto:timentzsr@gmail.com]

Sent: Saturday, February 09, 2013 11:13 AM

To: Ralph Knode

Cc: Tim Mentz Jr.; terry clouthier

Subject: Re: thoughts on proposal

Ralph:

Good luck with your project. I'm requesting payment on the invoice I sent you regarding our site visit. Since you took the low road with Powertech, either you don't understand section 106 of NHPA or feel I should lower our price to subsidize your project. I don't assist funding surveys required to meet certain requirements of Federal law. I also disagree with your assumptions and wrote a long chrono on what expired with our site visit but deleted its contents. You were persistent we see your project area, I can see why.

I went there to see the destruction of testing and to see what was left after the archaeologists were done. As you know, we only went to where the testing was done, I didn't go to see what was there. I also seen suspicious marks on the ground where testing occurred. I seen those marks before made by rock pickers erasing evidence of stone features significant to Tribes just so landowners can develop their lands when there is federal oversight...this is starting to happen more and more trying to sidestep section 106 identification. I will provide a chrono report on my visit to your project area to the THPO's. [REDACTED]

On Wed, Feb 6, 2013 at 3:21 PM, Ralph Knode <ralph@stratawyo.com> wrote:

Tim,

Thank you for getting back to me on your proposal. While I think the May 10 date would work for the NRC, I have concerns that your busy schedule would have the potential of delaying this report. I say this based on the length of time it took to get you to our site originally and the time it took to get your proposal. I also am surprised that you mention the time to perform the survey would depend on what you find. I would have thought the preliminary site visit you performed with your son and daughter would have put you in a position to know what to expect during a full survey.

But the real deal killer is the price quoted in your proposal. Unless you are prepared to discuss a significantly reduced price, say in the range of [REDACTED] I think that Strata will be forced to look at other options.

I would appreciate you getting back to me with your thoughts on this as soon as possible.

Regards,

Ralph

Ralph Knode

CEO

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