

**BEFORE THE ENVIRONMENTAL QUALITY COUNCIL
OF THE STATE OF WYOMING**

IN THE MATTER OF THE APPLICATION)
OF STRATA ENERGY FOR AN IN SITU)
MINING PERMIT FOR THE ROSS ISR)
URANIUM PROJECT FROM THE LAND)
QUALITY DIVISION OF THE)
DEPARTMENT OF ENVIRONMENTAL)
QUALITY FOR THE STATE OF)
WYOMING)
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Docket No. 12-4803

FILED

OCT 19 2012

Jim Ruby, Executive Secretary
Environmental Quality Council

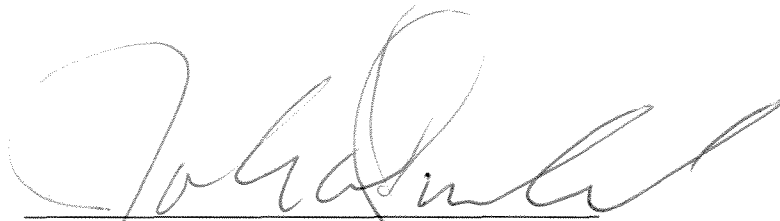
**JOINT STIPULATION TO AMEND PERMIT CONDITION AND
WITHDRAW REQUEST FOR HEARING**

IT IS HEREBY STIPULATED by and between Merit Energy Company, LLC, Merit Energy Partners, I, LP, Merit Energy Partners, III, LP, Merit Management Partners, I, LP, Merit Management Partners, III, LP, collectively (“Merit”), Strata Energy, Inc. (“Strata”) and the Department of Environmental Quality, Land Quality Division (“Division”), as follows:

1. The permit condition of page 9-53 of the Mine Plan entitled “Merit Energy Water Supply Wells for Enhanced Oil Recovery” shall be deleted and replaced with the revised permit condition attached to this stipulation as Appendix A.
2. The parties jointly request that the Environmental Quality Council (“EQC”) accept the amended permit condition and direct the Department of Land Quality (“DEQ”) to issue the permit subject to the amended permit condition, attached hereto.

3. Conditioned upon the imposition of this permit condition, Merit's objections before the Council are resolved and the parties jointly move to dismiss the contested case hearing.

DATED this 19 day of October, 2012.



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**APPENDIX A TO JOINT STIPULATION TO AMEND PERMIT CONDITION
AND WITHDRAW REQUEST FOR A HEARING**

Proposed Permit Amendment to MP 9-53

Merit Energy Water supply Wells for Enhanced Oil Recovery

Activities conducted pursuant to this Permit will be conducted in a manner to avoid any impact on the quality and quantity of groundwater available to Merit from the Fox Hills aquifer under Merit's groundwater permits issued by the Office of the Wyoming State Engineer.

If necessary, Strata shall provide Merit Energy Company, LLC and its subsidiaries and affiliates ("Merit") with an alternative water source acceptable to Merit capable of providing up to fifty-eight gallons per minute and of a quality consistent with the water produced from Merit's Fox Hills permitted water supply wells, as set forth in Appendix D-6 Table D6-44. The alternate water supply identified in this commitment must be available, tested and in active service before Strata can commence uranium mining operations that could potentially impact Merit's current Fox Hills water wells.