STRATA ENERGY, INC.

AFFIDAVIT OF CHRISTOPHER S. PUGSLEY, ESQ, COUNSEL TO STRATA ENERGY, INC.

1. **My name is Christopher S. Pugsley, Esq. and I currently serve as counsel to Strata Energy, Inc. (Strata). I am authorized to execute this affidavit on behalf of Strata and may bind Strata to the statements contained herein;**

2. **This affidavit is attached to Strata's submission of an application to the United States Nuclear Regulatory Commission (NRC) for a combined source and 11e.(2) byproduct material license for its proposed in situ leach uranium recovery (ISR) project to be located near Oshoto in the State of Wyoming;**

3. **As part of its license application, Strata submitted a Technical Report (TR) and an Environmental Report (ER) that include data, information, and other items that qualify for withholding pursuant to 10 CFR § 2.390;**

4. **Portions of the license application submitted by Strata include cultural resources information that could be misused by unscrupulous artifact collectors to disturb archaeological or other historic and cultural sites and that should be subject to protection from public disclosure pursuant to 10 CFR § 2.390(a)(3):**

   i. **Pursuant to NRC regulations at 10 CFR § 2.390, Strata has labeled the relevant pages of its license application, including its TR and ER, that pertain to historic and cultural resource sites requiring protection from public disclosure with the mandatory statement: "10 CFR Section 2.390(a)(3); Privileged and Confidential;"**

   ii. **The following volumes and pages of Strata's TR and ER contain information relating to historic and cultural resource sites requiring protection from public disclosure, and Strata hereby requests that such volumes and pages be withheld from public disclosure:**

   iii. **The portions of the ER requested to be withheld from public disclosure:**

ER ADDENDUM 3.8-A entitled *Class III Cultural Resource Inventory of Strata Energy's Proposed Ross ISR Project, Crook County Wyoming,* dated October 2010

5. **Portions of the license application submitted by Strata also include confidential and/or proprietary business information that could be misused and exploited by other companies or individuals and that should be subject to protection from public disclosure pursuant to 10 CFR § 2.390(a)(4):**

   i. **Pursuant to NRC regulations at 10 CFR § 2.390, Strata has labeled pages of its license application, including its TR and ER, that pertain to confidential and/or proprietary business information requiring protection from public disclosure with the mandatory statement: "10 CFR Section 2.390(a)(4); Privileged and Confidential;"**

   ii. **The following relevant volumes and pages of Strata's TR and ER contain information relating to confidential and/or proprietary business information requiring protection from public disclosure, and Strata hereby requests that such volumes and pages be withheld from public disclosure:**

   iii. **The portions of the TR requested to be withheld from public disclosure are as follows in the Table below:**

TR Chapters	TR Figure I.D.	Figure Caption
3 & 5	Figure 3.2-2	Complete Process Flow Diagram
	Figure 3.2-3	IX Area Flowsheet
	Figure 3.2-4	Eluant and 1st Stage Precipitation Flowsheet
	Figure 3.2-5	2nd Stage Precipitation Flowsheet
	Figure 3.2-6	Yellowcake Drying and Packaging Flowsheet
	Figure 3.2-7	Proposed Vanadium Recovery Flowsheet
	Figure 5.7-2	Yellowcake Product Area Flowsheet
	Figure 5.7-3	Yellowcake Packaging Drum Loading Components

6. **For the following reasons, Strata asserts that the aforementioned volumes and pages of its TR and ER regarding historic and cultural resources and confidential and/or proprietary business information should be withheld from public disclosure as privileged and confidential information:**

   i. **The data and information contained in the above-mentioned portions have been held in confidence by Strata. Strata does not provide such information to public or private entities;**

   ii. **The data and information contained in the above-mentioned portions of the TR and ER are customarily held in confidence by businesses and other organizations seeking to protect information**

related to certain historic and cultural resources or confidential and/or proprietary business information;

iii. **The data and information contained in the above-mentioned portions of the TR and ER are being transmitted to NRC Staff in the attached license application in confidence. Indeed, any such data and information shown to NRC Staff were only revealed in a non-public context;**

iv. **The data and information regarding historic and cultural resources or confidential and/or proprietary business information listed in Strata's license application are not available in any public sources;**

v. **Release of the data and information contained in the above-mentioned portions of the TR and ER may cause substantial harm to cultural resources on private and public property or Strata as a corporate entity for the following reasons:**

   a. **Certain individuals may use the information to unlawfully collect cultural artifacts for personal use; and**
   b. **The Wyoming State Historic Preservation office is responsible for the study and protection of cultural sites and artifacts and will be issued a full report detailing the location(s) and artifact(s) discovered;**
   c. **Confidential and/or proprietary information that deals with ore grade and other items that typically are used for development of corporate strategies and negotiations.**
   d. **With respect to the TR items; if not submitted to NRC as part of Strata's license application, these Figures would be protected as proprietary information and kept confidential as they represent the best available technology and processes for ISR operations as constructed by Lyntek, Inc. (Lyntek), a consultant to Strata. Lyntek maintains a very competitive position within the uranium recovery industry, both domestically and internationally and publication of these designs and processes would cause significant harm to Lyntek as their competitors would be able to replicate these designs and processes and cause harm to its competitive**

advantage. Lyntek has invested considerable sums of human and financial resources to produce these innovative designs and processes and to gain this competitive advantage and publication of these designs and processes would result in these investments being wasted.

e. Strata also would be placed at an economic disadvantage if these items were disseminated to the public. These designs and processes could then be replicated by Strata's competitors without the need for financial expenditure and could tailor such designs and processes to fit their particular uranium recovery projects. This would result in less expensive construction of specific uranium recovery plants which would place Strata at an economic disadvantage.

vi. If it were to become publicly available, the historic and cultural resource information would provide no tangible benefit to members of the public since artifacts cannot be legally collected. Therefore, withholding the data and information designated by Strata for protection from public disclosure will not harm members of the public. However, as stated above, releasing the location of historic and cultural resource sites could result in the theft or destruction of potentially significant cultural artifacts; and

vii. Strata fully understands that withholding the designated data and information does not deprive any independent party from inspecting the confidential information under the terms of an appropriate protective order in the context of an NRC licensing hearing or other administrative proceeding.

Christopher S. Pugsley, Esq.,
Partner/Member,
Thompson & Pugsley, PLLC
Counsel to Strata Energy, Inc.

District of Columbia)

The foregoing Affidavit was affirmed and acknowledged before me this 2nd day of March, 2011, by Christopher S. Pugsley, counsel to Strata Energy, Inc., a Wyoming corporation.

Witness my hand and official seal.

Cynthia L. Seaton
Notary Public

My commission expires: 11/14/2013

Cynthia L. Seaton
Notary Public, District of Columbia
My Commission Expires 11/14/2013

CYNTHIA L. SEATON NOTARY PUBLIC DISTRICT OF COLUMBIA