

Manitoba



Conservation

Climate Change and Environmental Protection Division
Environmental Assessment and Licensing Branch
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CLIENT FILE NO.: 4892.00

February 22, 2011

David Craig, CFO
Plains Midstream Canada
Suite 1400, 607 8 Avenue S.W.
Calgary AB T2P 0A7

Dear Mr. Craig:

Enclosed is Environment Act Licence No. 2592 R dated February 22, 2011 issued in accordance with The Environment Act to Plains Midstream Canada ULC for the construction and operation of the Development being a crude oil truck unloading and storage terminal, and pipeline facilities to be located on the SW¼ 21-9-28 WPM in the Rural Municipality of Pipestone, in accordance with the Proposal filed on December 23, 2002.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

Licence No. 2592 is hereby rescinded. For further information on the administration and application of the Licence, please feel free to contact Ryan Coulter, Environmental Engineer (204) 945-7023.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.

c: Don Labossiere, Director, Environmental Operations
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2592 R (*by the Licensee only*) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by March 7, 2011.

Plains Midstream Canada

Date

****A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

LICENCE

Licence No. / Licence n° 2592 R

Issue Date / Date de délivrance February 22, 2011

In accordance with The Environment Act (C.C.S.M. c. E125) /
Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 10(1) / Conformément au Paragraphe 10(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

Plains Midstream Canada ULC; "the Licencee"

for the construction and operation of the Development being a crude oil truck unloading and storage terminal, and pipeline facilities to be located on the SW¼ 21-9-28 WPM in the Rural Municipality of Pipestone, in accordance with the Proposal filed on December 23, 2002, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"**accredited laboratory**" means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

"**affected area**" means a geographical area, excluding the property of the Development;

"**approved**" means approved by the Director in writing;

"**Director**" means an employee so designated pursuant to The Environment Act;

"**Environment Officer**" means an employee so designated pursuant to The Environment Act;

"**noise nuisance**" means a continuous or repeated noise, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant or disagreeable to a person:

- a) residing in an affected area;
- b) working in an affected area; or

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c) present at a location in an affected area which is normally open to the members of the public;
if the noise:

- i) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
- ii) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted sound had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household; and
- iii) is deemed by the Director, based on available information, to be valid;

"odour nuisance" means a continuous or repeated odour, smell or aroma, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant, or disagreeable to a person:

- a) residing in an affected area;
- b) working in an affected area; or
- c) present at a location in an affected area which is normally open to the members of the public;

if the odour, smell or aroma:

- i) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
- ii) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted odour, smell or aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household; and
- iii) is deemed by the Director, based on available information, to be valid;

"opacity" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background;

"particulate matter" means any finely divided liquid or solid matter other than water droplets;

"particulate residue" means that part or portion of an atmospheric emission which is deposited onto a surface;

"point source" means any point of emission from the Development where pollutants are emitted to the atmosphere by means of a stack; and

"sanitary wastewater" means human body, toilet, liquid, waterborne culinary, sink or laundry waste.

GENERAL SPECIFICATIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall obtain a Pipeline Construction Permit and a Pipeline Operating Licence pursuant to The Oil and Gas Act for the Development.
2. The Licencee shall implement a high standard of equipment maintenance and good housekeeping and operational practices with respect to the Development, at all times.
3. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.
4. The Licencee shall discharge only sanitary wastewater to a registered and approved sewage disposal system.

Respecting Air Emissions - Limits

5. The Licencee shall not emit particulate matter from the Development such that:
 - a) particulate matter:
 - i) exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees Celsius and 760 millimetres of mercury, corrected to 12 percent carbon dioxide from any point source of the Development;
 - ii) exhibits a visible plume with an opacity of greater than 5 percent at any point beyond the property line of the Development; or
 - iii) results in the deposition of visible particulate residue at any time beyond the property line of the Development; or
 - b) opacity from any point source of the Development equals or exceeds:
 - i) 20 percent as the average of any 24 consecutive opacity observations taken at 15 second intervals;
 - ii) 20 percent for more than 16 individual opacity observations within any 1 hour period; or
 - iii) 40 percent for any individual opacity observation.
6. The Licencee shall not emit hydrogen sulfide from the Development such that the ambient concentration of hydrogen sulfide in air is in excess of 11 parts per billion (one-hour average) at any time when measured at any point beyond the property line of the Development.
7. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

8. The Licencee shall not cause or permit an odour nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

Respecting Sampling, Analysis and Reporting

9. The Licencee, at the request of the Director, shall conduct soil, air (stack and/or ambient), ground water, surface water or noise monitoring at or adjacent to the Development.
10. The Licencee shall have each soil, air, or water sample collected pursuant to Clause 9, of this Licence, analyzed by a laboratory approved by the Director and using methods approved by the Director for any analytes as may be specified by the Director.
11. The Licencee shall, unless otherwise specified in this Licence, ensure that all analytical determinations are undertaken by an accredited laboratory for any of the following analytes:
 - a) hydrogen sulfide;
 - b) Particulate Matter (in air); and
 - c) others as specified by the Director.
12. The Licencee shall submit a copy of the sampling report complete with analytical results as specified pursuant to Clauses 10 and 11 of this Licence, to the Director within 60 days of the completion of the sampling program.

Respecting Remedial Action

13. The Licencee, subject to obtaining approval from an Environment Officer, shall immediately dispose of any contaminated material in accordance with the approval.

Respecting Emergency Response Planning

14. The Licencee shall submit, within ninety (90) days of the issuance of this Licence, an emergency response contingency plan for approval of the Director in accordance with the Manitoba Industrial Accidents Council (MIAC) Industrial Emergency Response Planning Guide outlining procedures to be used in the event of a leak, spill, fire or other hazardous condition at the Development.

Respecting Crude Oil Products

15. The Licencee shall surface all areas of the Development where crude oil products are stored, loaded, transferred or otherwise handled, in a manner and using materials approved by the Director.
16. The Licencee shall grade, dike or curb all areas where crude oil products are stored, loaded, transferred or otherwise handled in a manner and using materials approved by the Director, such that all product spillage and contaminated run-off water from these areas is contained within the Development.

17. The Licencee shall provide containment within any diked or curbed crude oil storage area including an approved synthetic liner, for a volume of liquid equal to 110% of the volume of the largest storage tank located therein.
18. The Licencee shall maintain the containment area volume capacity in Clause 17 of this Licence by the immediate removal and disposal, in a manner approved by the Director, of all accumulated fluids.

Respecting Site Decommissioning

19. The Licencee shall submit within one (1) year prior to closure of the facility, for the approval of the Director, a Decommissioning Plan for the facility.
20. The Licencee shall implement, on closure of the facility, the approved Decommissioning Plan.

REVIEW AND REVOCATION

- A. This Licence replaces Environment Act Licence No. 2592 which is hereby rescinded.
- B. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.
- C. If construction of the development is not commenced within three years of the date of this licence, the Licence is revoked.
- D. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new Proposal pursuant to Section 10 of The Environment Act.



Tracey Braun, M.Sc.
Director
Environment Act