

LICENCE

Licence No. / Licence n° 2757 R

Issue Date / Date de délivrance March 13, 2007

Revised / Révisée : May 2, 2007

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 11(1) / Conformément au Paragraphe 11(1)

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

KELLER & SONS FARMING LTD.;
"the Licencee"

for the construction and operation of the Development being an irrigation system in the Rural Municipality of South Cypress, with a water intake on the Assiniboine River in NW 30-8-16W, in accordance with the Proposal filed under The Environment Act dated July 29, 2005, and subject to the following specifications, limits, terms and conditions:

GENERAL TERMS AND CONDITIONS

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 collect and dispose of all used oil products and other regulated hazardous wastes generated by the machinery used in the construction and operation of the Development in accordance with applicable Manitoba Conservation and legislation requirements.
2. The Licencee shall revegetate areas disturbed by the construction of the Development with a mixture of native or introduced grasses or legumes. These areas shall be revegetated as quickly as possible following construction to prevent soil erosion and the establishment of noxious weeds. Native species shall be used to revegetate areas where native species existed prior to construction.
3. The Licencee shall:
 - a) prepare "As Constructed" drawings for the Development and shall label the drawings "As Constructed"; and

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

- b) provide to the Director, within three months of the completion of construction of the Development, two sets of "As Constructed" drawings.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Project Scope

4. The Licencee shall, unless otherwise approved by the Director in writing, construct the water diversion and management works and irrigate the lands as described on Figure 1, attached to this Licence. These lands include N 30-8-16W, 31-8-16W, NW, SW and SE 32-8-16W, NW, NE, and SW 5-9-16W and 6-9-16W. Proposed amendments to this project must be submitted to the Director for approval with an accompanying discussion of the nature and purpose of the amendments.

Operation – Matters Respecting Environmental Protection

5. The Licencee shall establish any fuel storage areas required for the operation of the Development:
 - (a) a minimum distance of 100 metres from any waterbody; and
 - (b) in compliance with the requirements of *Manitoba Regulation 188/2001*, or any future amendment thereof, respecting *Storage and Handling of Petroleum Products and Allied Products*.
6. The Licencee shall, during operation of the Development:
 - (a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting Line at (204) 944-4888; and
 - (b) provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and proposing corrective action to prevent reoccurrence.

Operation – Matters Respecting Water Management and Water Quality Protection

7. The Licencee shall install and maintain instream water diversion works associated with the Development in accordance with the requirements of the Department of Fisheries and Oceans and the Canadian Coast Guard.
8. The Licencee shall screen the pump intake associated with the Development in accordance with the Department of Fisheries and Oceans publication "Freshwater Intake End-of-Pipe Fish Screen Guideline" (March, 1995). Final screen design shall be approved by the Department of Fisheries and Oceans.
9. The Licencee shall maintain a minimum instream flow below the diversion point of the Development in NW 30-8-16W at all times while water is being diverted into the Development. The minimum instream flow at the diversion point shall be as determined by Manitoba Water Stewardship and in accordance with the provisions of a Water Rights Licence issued for the Development.

10. The Licencee shall immediately cease diverting water from the Assiniboine River or reduce the diversion rate if the minimum instream flow provided for in Clause 9 of this Licence is not equalled or exceeded.
11. The Licencee shall limit the pumping rate at the water diversion point of the Development in NW 30-8-16W to 473 litres per second, or as specified in the Water Rights Licence issued for the Development by Manitoba Water Stewardship.
12. The Licencee shall, on a daily basis while irrigation is occurring from the Development, record volumes of water pumped, and durations of pumping. A report on this information shall be provided, by March 1 of the following year, to the Environment Officer responsible for the administration of this Licence and the Environmental Assessment and Licensing Branch. The report shall be provided in the format shown in Table 1, attached to this Licence.
13. The Licencee shall install backflow prevention devices and maintain them in operational condition at all times if fertilizer or crop protection products are applied through the irrigation systems of the Development.
14. The Licencee shall, if fertilizer or crop protection products are applied through the irrigation systems of the Development, not allow irrigation water containing these materials to be applied to or drain to surface water bodies.

Operation – Matters Respecting Land Management and Soil Quality Protection

15. The Licencee shall not, with water diverted by the Development, irrigate any land parcel other than a land parcel described in Clause 4 of this Licence and identified in Figure 1 attached to this Licence.
16. The Licencee shall implement agronomic practices described in the following documents:
 - (a) Sections 4.2.1.2, 4.3.1, 4.4 and 4.5 of the Environment Act Proposal;
 - (b) Section 7 of the report “Land and Agronomic Assessment for the Keller Farms Irrigation Project”, prepared by AXYS Agronomics in December, 2004; and
 - (c) “Draft Best Management Practices Manual 1999” by the Central Manitoba Irrigators Association and Central Manitoba Resource Management Ltd., concerning general agronomic practices, or future versions thereof.
17. The Licencee shall manage phosphorus as well as nitrogen in all nutrient management plans developed pursuant to Clause 16 of this Licence.
18. The Licencee shall not remove cereal crop residue from the lands of the Development without the prior written approval of the Director.

19. The Licencee shall ensure that drift from the irrigation equipment of the Development does not enter onto the following areas:
- (a) Criddle/Vane Homestead Provincial Park in NE 32-8-16W;
 - (b) Criddle/Vane Homestead Provincial Park in SE 5-9-16W;
 - (c) Assiniboine Corridor Wildlife Management Area in SE 30-8-16W; and
 - (d) The right-of-way of Provincial Road 340.

Drift includes irrigation water, crop fertility products and crop protection products.

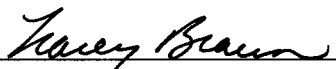
20. The Licencee shall conduct annual soil and petiole analysis for nitrogen and phosphorus on all fields of the Development. Fertilization using nitrogen and phosphorus shall not exceed soil and petiole test recommendations. A report on analysis results and fertilizer application shall be provided, by March 1 of the following year, to the Environment Officer responsible for the administration of this Licence and the Environmental Assessment and Licensing Branch. This report shall record the following information:
- (a) Irrigation water application (mm/day);
 - (b) Rainfall (mm/day);
 - (c) Nitrogen application (kg/ha/day);
 - (d) Phosphorus application (kg/ha/day);
 - (e) An evaluation of nutrient management practices for the crop year in comparison to the goal of minimizing the leaching of nutrients below the crop rooting zone; and
 - (f) Recommendations for improving nutrient management practices.

Monitoring

21. The Licencee shall, upon the request of the Director:
- groundwater, surface water and soil for such duration and at such frequencies as may be specified;
- (b) determine the environmental impact associated with the specific areas of concern; and
 - (c) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, and such other information as may from time to time be requested.
22. The Licencee shall, prior to the commencement of operation of the Development, meet with the Environment Officer responsible for the administration of this Licence and the contact person for the Environmental Assessment and Licensing Branch of Manitoba Conservation to review the monitoring and reporting requirements of this Licence.

REVIEW AND REVOCATION

- A. This Licence replaces Licence No. 2757, 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 has 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 11 of The Environment Act.



Tracey Braun, M. Sc.
Director
Environment Act

Client File: 5134.00

Keller and Sons Farming Ltd. Irrigation Project

Annual Water Use Report Year: _____

Intake Location: NW 30-8-16W

Pump Capacity: _____ m3/s or cfs
 Minimum Instream Flow: _____ m3/s or cfs Measured at: _____

Conversions: 1 acre (ac.) = 0.405 hectares (ha.) 1 ha. = 2.471 ac.
 1 acre-foot (ac.-ft.) = 1.233 cubic decametres (dam³) 1 dam³ = 0.811 ac.-ft.
 1 cubic foot per second (cfs) = 0.0283 cubic metres per second (m³/s)
 1 m³/s = 35.31 cfs
 1 imperial gallon per minute (IGPM) = 0.000076 m³/s
 1 US gallon per minute (USGPM) = 0.000063 m³/s

Date	Pumping Rate	Duration hours	Vol. Pumped dam ³	Parcel(s) Irrigated
TOTAL		sum	sum	

Table 1 to Environment Act Licence No. 2757 R



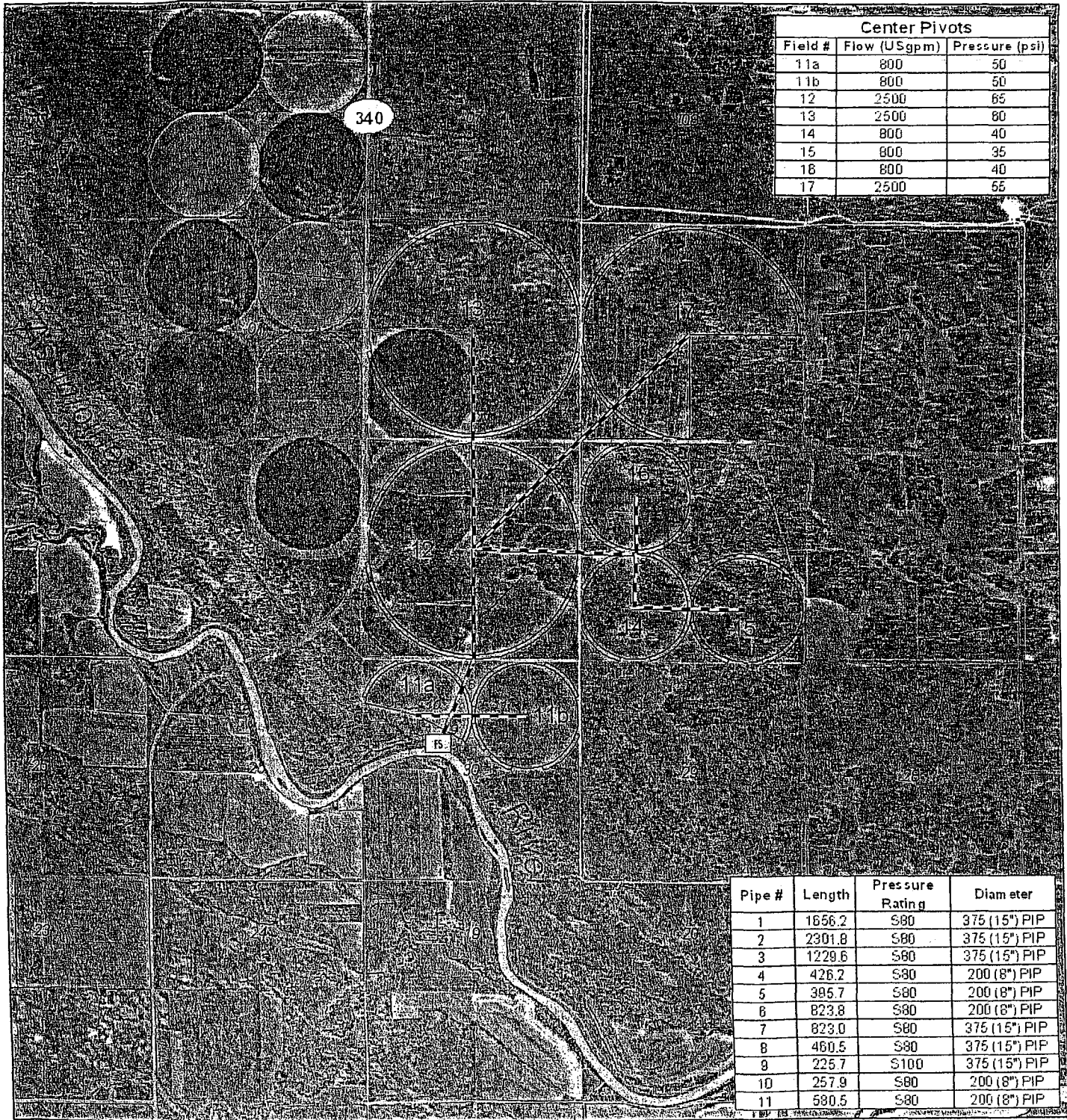
Agriculture and Agri-Food Canada

Agriculture et Agroalimentaire Canada

Canada

Tom Keller Irrigation Project 2004

Center Pivots		
Field #	Flow (USgpm)	Pressure (psi)
11a	800	50
11b	800	50
12	2500	65
13	2500	60
14	800	40
15	800	35
16	800	40
17	2500	55

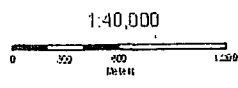


Pipe #	Length	Pressure Rating	Diameter
1	1656.2	S80	375 (15") PIP
2	2301.8	S80	375 (15") PIP
3	1229.6	S80	375 (15") PIP
4	426.2	S80	200 (8") PIP
5	395.7	S80	200 (8") PIP
6	823.8	S80	200 (8") PIP
7	823.0	S80	375 (15") PIP
8	460.5	S80	375 (15") PIP
9	225.7	S100	375 (15") PIP
10	257.9	S80	200 (8") PIP
11	590.5	S80	200 (8") PIP

Field #	Pivot	Endgun	Total Acres
11a	65.8	8.0	73.8
11b	119.7	11.9	131.6
12	486.9	29.7	516.6
13	486.9	30.5	517.4
14	119.7	14.0	133.8
15	119.7	13.4	133.1
16	119.7	13.6	133.4
17	365.6	20.7	386.3
Total	1834.2	141.7	2026.8

Legend

- 1 - 15" dia. Pipeline
- 3 - 15" dia. Pipeline
- 1 - 8" dia. Pipeline
- Drainage
- Pumpsite/Electrical Panel
- Pivot/Endgun



Map Scale: 1:40,000
 Date: 12/20/03
 Project: Tom Keller Irrigation Project
 Prepared by: [unreadable]
 Date: [unreadable]

