



**Conservation and Water Stewardship**

Climate Change and Environmental Protection Division  
Environmental Approvals Branch  
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[www.gov.mb.ca/conservation/eal](http://www.gov.mb.ca/conservation/eal)

**CLIENT FILE NO.: 5579.00**

July 18, 2013

Victor Wong  
Penn West Exploration  
Suite 200, Penn West Plaza  
207 - 9th Avenue SW  
Calgary, Alberta T2P 1K3

Dear Mr. Wong:

Enclosed is **Environment Act Licence No. 3052** dated July 18, 2013 issued to **Penn West Exploration** for the construction and operation of the Development being one 92 km long 219.1 mm diameter crude oil pipeline from 30-1-25 WPM to 17-9-28 WPM, and associated temporary and permanent aboveground facilities located in the Rural Municipalities of Brenda, Arthur, Albert, Pipestone, and Wallace, in accordance with the Proposal filed under *The Environment Act* dated April 27, 2012, additional information dated June 12, July 13, 23, and 26, September 13 and 28, October 1, 2012, March 18, 2013, and June 17, 2013.

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.

For further information on the administration and application of the Licence, please feel free to contact Tim Prawdzyk, Environment Officer at 204-622-2123.

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 and Water Stewardship within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M.Sc.  
Director  
Environment Act

c: Don Labossiere, Director, Environmental Compliance and Enforcement  
Public Registries

**NOTE:** Confirmation of Receipt of this Licence No. 3052 (*by the Licensee only*) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by August 2, 2013.

\_\_\_\_\_  
On behalf of Penn West Exploration

\_\_\_\_\_  
Date



# LICENCE

Licence No. / Licence n° 3052

Issue Date / Date de délivrance July 18, 2013

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 :

**PENN WEST EXPLORATION:**  
**"the Licencee"**

for the construction and operation of the Development being one 92 km long 219.1 mm diameter crude oil pipeline from 30-1-25 WPM to 17-9-28 WPM, and associated temporary and permanent aboveground facilities located in the Rural Municipalities of Brenda, Arthur, Albert, Pipestone, and Wallace, in accordance with the Proposal filed under The Environment Act dated April 27, 2012, additional information dated June 12, July 13, 23, and 26, September 13 and 28, October 1, 2012, March 18, 2013, and June 17, 2013, and subject to the following specifications, limits, terms and conditions:

### **DEFINITIONS**

In this Licence:

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

“**dry**” means hydraulically unconnected to downstream flowing water;

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

“**native habitat**” means grasses, wildflowers, shrubs, trees, and other vegetation that occur naturally and support fauna indigenous to the area;

“**record drawings**” means engineering drawings complete with all dimensions which indicate all features of the pipeline as it has actually been built;

“**waterbody**” means any body of flowing or standing water, whether naturally or artificially created, and whether the flow or presence of water is continuous, intermittent or occurs only

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

during a flood, including but not limited to a lake, river, creek, stream, slough, marsh, swamp and wetland, including ice on any of them; and

“wetlands” means those areas where the water table is at or above the land surface for a long enough period each year to make the area capable of supporting aquatic or hydrophilic vegetation, and which have soils with characteristics indicative of wet 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. In addition to any of the limits, terms and conditions specified in this Licence, the Licencee shall, upon the request of the Director:
  - a) sample, monitor, analyze or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants, ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, and for such duration and at such frequencies as may be specified;
  - b) determine the environmental impact associated with the release of any pollutant from the Development; or
  - 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, bioassay data, flow rate measurements and such other information as may from time to time be requested.
2. The Licencee shall provide to the Director, upon request, all information required under this Licence, in writing and in such form and content (including number of copies), as may be specified by the Director, and each submission shall be clearly labelled with the Licence Number and Client File Number associated with this Licence.
3. The Licencee shall construct and operate the Development in accordance with appropriate standards of the Canadian Standards Association.
4. The Licencee shall maintain a valid construction permit during construction of the Development and a valid operational permit during operation of the Development, issued by the Minister of Manitoba Innovation, Energy and Mines.
5. The Licencee shall not construct any water control works associated with the Development, nor release any drainage water from the Development, without the prior receipt of a Water Rights Licence to Construct Water Control Works from Manitoba Conservation and Water Stewardship, Water Stewardship Division.



6. The Licencee shall, during construction of the Development, dispose of all sewage and septage from on-site sanitary facilities in accordance with the *Onsite Wastewater Management Systems Regulation 83/2003*, or any future amendment thereof.

### SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

7. The Licencee shall, not less than two weeks prior to beginning construction of the Development, provide notification to the Environment Officer responsible for the administration of this Licence of the intended starting date of construction and the name of the contractor responsible for the construction.
8. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.
9. The Licencee shall, prior to construction, notify the on-site project construction supervisor that only land required for the right-of-way of the Development, including designated and landowner approved access locations to the right-of-way, shall be affected by clearing, compacting, grading or filling during construction. All construction related traffic shall be restricted to the right-of-way and approved access locations.
10. The Licencee shall have an Environmental Inspector monitor the work activity on a daily basis throughout construction and restoration of the Development to ensure that all the environmental practices outlined in the Proposal are carried out.
11. The Licencee shall, during construction and maintenance of the Development, separate and replace topsoil from backhoe and trenching operations associated with the Development in accordance with the methodology described in the document titled "Environmental Protection Plan for Proposed Penn West Exploration Waskada Sales Line Pipeline Project", dated April 2012.
12. The Licencee shall, in the case of physical or mechanical equipment breakdown or process upset where such breakdown or process upset results or may result in the release of a pollutant in an amount or concentration, or at a level or rate of release, that causes or may cause a significant adverse effect, immediately report the event by calling 204-944-4888 (toll-free 1-855-944-4888). The report shall indicate the nature of the event, the time and estimated duration of the event and the reason for the event.
13. The Licencee shall, following the reporting of an event pursuant to Clause 12,
  - a) identify the repairs required to the mechanical equipment;
  - b) undertake all repairs to minimize unauthorized discharges of a pollutant;
  - c) complete the repairs in accordance with any written instructions of the Director;  
and
  - d) submit a report to the Director about the causes of breakdown and measures taken, within one week of the repairs being done.

14. The Licencee shall establish any fuel storage areas required for the construction and operation of the Development:
  - a) a minimum distance of 100 metres from any waterbody; and
  - b) in compliance with the requirements of the *Storage and Handling of Petroleum Products and Allied Products Regulation 188/2001*, or any future amendment thereof.
15. The Licencee shall, during construction and maintenance of the Development, operate, maintain, and store all materials and equipment in a manner that prevents any deleterious substances including fuel, oil, grease, hydraulic fluid, coolant, and other similar substances from entering any waterbodies. An emergency spill kit for in-water use shall be readily available on site during construction.
16. The Licencee shall consult with the Regional Fisheries Biologist of Conservation and Water Stewardship if an incident occurs that could impact a waterbody in connection with construction or maintenance of the Development.
17. The Licencee shall, during construction and maintenance of the Development, minimize disturbance to wetlands and native habitats. Topsoil stripping and trench widths shall be reduced in these areas and topsoil shall be salvaged and reused for reclamation.
18. The Licencee shall, during construction and maintenance of the Development, prevent the introduction and spread of foreign aquatic and terrestrial biota to surface waters and in native habitats. All equipment used for the construction of the Development, including transport trucks and trailers, shall be cleaned prior to entering new locations along the pipeline right-of-way, and if an affected area is traversed.
19. The Licencee shall not clear, compact, grade, or fill any wetlands or native habitat, which are not required for the right-of-way of the Development.
20. The Licencee shall not alter local drainage patterns, including inflows and outflows from small wetlands adjacent to the route of the pipeline, during construction associated with the Development.
21. The Licencee shall not undertake construction of the Development in wetlands or in native habitat between April 1 and August 31 in any year.
22. The Licencee shall, during construction and maintenance of the Development, construct individual water crossings in accordance with the proposed crossing methods identified in the "Penn West Exploration 2012 Wetland Survey for the Proposed Waskada Sales Line Project", dated July 2012 and prepared by Rangeland Conservation Services Ltd. Trenching shall be immediately discontinued where water is encountered in wetlands identified as 56, 75, 90, 115, 116, and 136 in this report.


23. The Licencee shall, during construction and maintenance of the Development, adhere to the general recommendations on design, construction and maintenance of stream crossings as specified in the guidelines titled *Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, 1996*.
24. The Licencee shall, during construction and maintenance of the Development, construct crossings on flowing waterways by augering, tunneling, or boring. Dry waterways may be crossed with an open cut technique.
25. The Licencee shall, during construction and maintenance of the Development, where open cut techniques are used to construct waterway crossings:
  - a) minimize disturbance to riparian areas;
  - b) implement erosion control measures within the dry waterways to ensure sediment does not enter downstream waters in the event of rain;
  - c) re-contour the bed and banks of the waterways to their original elevations and shapes; and
  - d) implement measures to ensure stabilization of the disturbed soils once the bed and banks are re-contoured.
26. The Licencee shall, during construction of the Development, where augering, tunneling, or boring waterway crossings, construct the crossings in accordance with the Department of Fisheries and Oceans Canada Operational Statement on Directional Drilling.
27. The Licencee shall contact the Water Stewardship Division to obtain criteria for the withdrawal of water for hydrostatic testing and for the discharge of hydrostatic test water associated with the Development. Hydrostatic test water shall be withdrawn and discharged according to these criteria.
28. The Licencee shall compact all excavated areas associated with the Development and re-establish the pre-existing profile. Follow-up grading shall be conducted in areas affected by settling after construction.
29. The Licencee shall, upon completion of construction and maintenance of the Development, implement post-construction monitoring programs to assess:
  - a) the stabilization of open cut waterways; and
  - b) the natural regeneration of wetlands impacted by the Development.
30. The Licencee shall, where native prairie habitat existed prior to construction or maintenance of the Development, retain a native prairie re-vegetation specialist to plan and oversee reclamation of these areas. Re-vegetation monitoring shall be conducted by the native prairie re-vegetation specialist for a minimum of three complete growing seasons. Re-vegetation shall:
  - a) where conditions are ideal regarding topography, slope, moisture, time of year, and the condition of nearby prairie, allow for natural re-vegetation; or



- b) where conditions are not ideal for natural recovery, re-vegetate areas exposed during the construction with native seed mixes approved by the Wildlife Branch.
31. The Licencee shall, in association with Clauses 29 and 30 of this Licence, file a copy of a post construction environmental monitoring report with the Director, prior to January 31<sup>st</sup> of each year following construction of the Development, until the Director deems the reclamation is satisfactory. The report shall outline the results of the reclamation of open cut waterways, native prairie, and wetlands along the right-of-way.
32. The Licencee shall carry out seeding or other means of reclaiming open cut waterways, native prairie, and wetlands along the right-of-way of the Development until the Director deems the reclamation is satisfactory.
33. The Licencee shall:
- a) prepare "record drawings" for the Development and shall label the drawings "record drawings"; and
  - b) provide to the Director, within six months of the completion of construction of the Development, two sets of "record drawings" of the Development.

#### REVIEW AND REVOCATION

- A. 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.
- B. If construction of the development has not commenced within three years of the date of this Licence, the Licence is revoked.
- C. 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*.

  
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Tracey Braun  
Director  
Environment Act