



Conservation and Water Stewardship

Environmental Stewardship Division
Environmental Approvals Branch
123 Main Street, Suite 160, Winnipeg, Manitoba R3C 1A5
T 204 945-8321 F 204 945-5229
www.gov.mb.ca/conservation/eal

CLIENT FILE NO.: 5729.00

August 12, 2014

Faron L. Gabler, Manager/Owner
Cobalt Industries Ltd.
Box 776
Carberry MB R0K 0H0

Dear Mr. Gabler:

Enclosed is **Licence No. 276 HW** dated August 12, 2014 issued to Cobalt Industries Ltd. for the operation of a space heating used oil burner facility ("the facility") located at 15 Airport Road, Carberry, Province of Manitoba, in accordance with the Application ("the Application") filed pursuant to *The Dangerous Goods Handling and Transportation Act* dated February 4, 2014.

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 facility as licensed.

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

Pursuant to Section 25 of *The Dangerous Goods Handling & Transportation 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,

"original signed by"

Tracey Braun, M.Sc.
Director
Dangerous Goods Handling & Transportation Act

Enc.

c: Don Labossiere, Director, Environmental Compliance and Enforcement
Tim Prawdzik, Environmental Compliance and Enforcement (**via email**)
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 276 HW (*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 at 204-945-5229 by August 25, 2014.

On behalf of Cobalt Industries Ltd.

Date

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

THE DANGEROUS GOODS HANDLING and
TRANSPORTATION ACT
LOI SUR LA MANUTENTION ET LE
TRANSPORT DES MARCHANDISES
DANGEREUSES



LICENCE

Licence No./Licence n° 276 HW

Issue Date/Date de délivrance August 12, 2014

In accordance with *The Dangerous Goods Handling and Transportation Act*
(C.C.S.M. c. D12) /
Conformément à *la Loi sur la manutention et le transport des marchandises dangereuses*
(C.P.L.M. c. D12)

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

COBALT INDUSTRIES LTD.:
"the Licencee"

for the operation of a space heating used oil burner facility ("the facility") located at 15 Airport Road, Carberry, Province of Manitoba in accordance with the Application ("the Application") filed pursuant to *The Dangerous Goods Handling and Transportation Act* dated February 4, 2014 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;

"Act" means *The Dangerous Goods Handling and Transportation Act*, C.C.S.M.c.D 12;

"approved" means approved by the Director or assigned Environment Officer in writing;

"contaminant" means a contaminant as defined in *The Dangerous Goods Handling and Transportation Act*, as amended from time to time;

"Director" means the Director appointed under the Act;

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

"Environment Officer" means an Environment Officer appointed under the Act;

"facility" means all buildings, structures, process and pollution abatement equipment, storage facilities and land used by the Licencee for the purposes of burning used oil in a space heating used oil burner;

"hazardous waste" means a product, substance or organism that

- a) is prescribed, designated or classified as hazardous waste in the regulations, or
- b) by its nature conforms to the classification criteria for one or more classes of hazardous wastes set out in the regulations;

"licenced carrier" means a person who has a valid licence to transport hazardous waste pursuant to *Manitoba Regulation 175/87* under *The Dangerous Goods Handling and Transportation Act (C.C.S.M.c. D12)*, as amended from time to time;

"permanently closed" means that the facility is not operated for a period of 12 months or more;

"registered generator" means a person who is registered as a hazardous waste generator pursuant to *Manitoba Regulation 175/87* under *The Dangerous Goods Handling and Transportation Act*, as amended from time to time;

"space heating used oil burner" means any device, implement, mechanism or appliance that meets the definition of "Oil Burning Equipment" as defined in CAN/CSA Standard B139 Installation Code for Oil Burning Equipment, as updated from time to time;

"Transportation of Dangerous Goods Regulations" means the *Transportation of Dangerous Goods Regulations*, SOR/2001-286, made under the *Transportation of Dangerous Goods Act, 1992* (Canada), as amended from time to time; and

"used oil" means petroleum-derived or synthetic lubrication oil that has become unsuitable for its original purpose due to the presence of physical or chemical impurities or the loss of original properties if the oil falls within any of the following categories:

- a) lubrication oils for internal combustion engines such as motor oil, vehicle crankcase oil and engine lubricating oil;
- b) transmission fluids, gearbox and differential oils; and
- c) hydraulic fluids.

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 implement a high standard of equipment maintenance and good housekeeping and operational practices with respect to the facility, at all times.
2. In addition to any of the terms or conditions specified in this Licence, the Licencee shall, upon the request of the Director:
 - a) sample, monitor, analyze and/or investigate specific areas of concern regarding any segment, component or aspect of contaminant storage, containment, treatment, handling, disposal or emission systems, for such contaminants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified;
 - b) determine the environmental impact associated with the release of any contaminant(s) from the said facility; or
 - c) conduct specific investigations in response to the data gathered during environmental monitoring programs; or
 - d) 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.
3. The Licencee shall, unless otherwise specified in this Licence:
 - a) carry out all sampling of, and preservation and analyses on, water, soil or air samples in accordance with methodologies approved in writing by the Director;
 - b) have all analytical determinations undertaken by an accredited laboratory; and
 - c) report the results to the Director, in writing and in an electronic form acceptable to the Director within 60 days of the samples being taken, or within another time frame as specified by the Director.
4. The Licencee shall, unless otherwise specified by this Licence, retain all records relating to this licence during the full life of operation of the facility, and after closure, for such period of time as may be specified by the Director. Records may be transferred from their original form to other accepted forms for information storage. These records shall be made available to an Environment Officer upon request.
5. The Licencee shall submit all information required to be provided to the Director or Environment Officer under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director or Environment Officer, and each submission shall be clearly labeled with the Licence Number and Client File Number associated with this Licence.
6. The Licencee shall carry out, as deemed necessary by the Director, any remedial measures or modifications in respect to matters authorized under this Licence.
7. The Director or an Environment Officer, may, without incurring liability for so doing, enter the facility for the purpose of:
 - a) investigating, inspecting and carrying out tests at the facility; and

- b) examining, making copies of, or taking extracts from any records of the facility pursuant to an investigation, inspection or test under this Licence.
8. The restrictions and conditions of this Licence are severable. If any restriction or condition of this Licence, or the application thereof, to any circumstances is held invalid, the application of such restriction or condition to other circumstances and the remainder of this Licence shall not be affected thereby.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Facility Operations

- 9. The Licencee shall operate the facility in accordance with the Application dated February 4, 2014.
- 10. The Licencee shall not receive at the facility any hazardous waste other than used oil.
- 11. The Licencee shall only receive at the facility used oil from registered commercial and industrial generators.
- 12. The Licencee shall accept used oil transported to the facility or allow used oil to be transported from the facility, only when the used oil is accompanied by a hazardous waste manifest or a dangerous goods shipping document, as appropriate.

Respecting Storage of Used Oil

- 13. The Licencee shall store used oil in an area that is:
 - a) secure, not accessible to unauthorized personnel; and
 - b) clearly marked as a hazardous waste storage area through the use of a conspicuous sign.
- 14. The Licencee shall store all used oil in a manner that minimizes any potential release or fire hazard.
- 15. The Licencee shall store used oil only in the storage tank (2000 litres capacity stainless steel storage tank) that has been identified in the Application.
- 16. The Licencee shall equip the used oil storage area with a containment system that is capable of containing 110 % of the volume of used oil being stored.
- 17. The Licencee shall inspect the storage tank weekly in order that any leakage from the tank into the secondary containment system is detected. Records of these inspections shall be made available to an Environment Officer upon request.
- 18. The Licencee shall not store more than 2000 litres of used oil at the facility at any one time.

19. The storage tank referred to in Clause 15 shall be situated on an impermeable surface acceptable to the Director.
20. The used oil transfer area provided adjacent to the storage tank shall be
 - a) properly sized and graded; and
 - b) made of an impermeable material acceptable to the Director.
21. The Licencee shall equip the used oil transfer area with a containment system that is capable of containing 110 % of the volume of used oil being transferred.
22. The Licencee shall maintain and keep available on-site for inspection by an Environment Officer a log of all used oils received at the facility. The log shall contain the following information:
 - a) the date and time of receipt;
 - b) the quantity received; and
 - c) the Provincial Generator Registration Number for each source of hazardous waste, where applicable.
23. The Licencee shall make available for inspection by an Environment Officer, upon request, a summary of the record referred to in Clause 22, of this Licence.

Respecting Space Heating Used Oil Burner

24. The Licencee shall install the space heating used oil burner in accordance with *The Gas and Oil Burner Act* Chapter G30 and accompanying regulations as amended from time to time.
25. The Licencee shall position the heater chimney of the burner to prevent the intrusion of combustion fumes into any adjoining air intake, window or door.
26. The Licencee shall, on a minimum monthly basis, perform the following maintenance operations where applicable:
 - a) the heat exchanger and flue piping for the space heating used oil burner shall be vacuum cleaned;
 - b) all sludge collected in the stainless steel hot filter element shall be removed; and
 - c) ash and other deposits shall be removed from the drip legs.

The records of these maintenance operations shall be made available for inspection by an Environment Officer upon request.

27. The Licencee shall clean the flue stack annually, at minimum, and the records of this maintenance operation shall be made available for inspection by an Environment Officer upon request.
28. The Licencee shall dispose of all ash produced by combustion in the space heating used oil

burner, which can be classified as a hazardous waste, by a hazardous waste disposal company or in a manner approved by the Director.

29. The Licencee shall supply to the Director, no later than June 30 of each year, a written report summarizing the amount of used oil combusted in the space heating used oil burner for the previous heating season.

Respecting Spills

30. 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 contaminant in an amount or concentration, or at a level or rate of release in excess of reportable quantities in accordance with Manitoba Regulation 439/87, under *The Dangerous Goods Handling and Transportation Act* (C.C.S.M. c. D12), 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.
31. The Licencee shall, following the reporting of an event pursuant to Clause 30,
- a) identify the repairs required to the mechanical equipment;
 - b) undertake all repairs to minimize unauthorized discharges of a contaminant;
 - 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.
32. If any hazardous waste container leaks, cracks or otherwise causes a spill during loading or unloading, the Licencee shall take action to promptly clean up the spill or leakage and repackage the waste. Any material resulting from such a cleanup shall be handled as hazardous waste and shall be packaged and disposed of in accordance with applicable regulations.
33. The Licencee shall equip the facility with spill cleanup equipment and supplies.

Respecting Facility Inspection

34. The Licence shall conduct regular inspections of the facility to ensure that all pieces of equipment and the storage and treatment operations are operated in a manner that will not negatively impact the environment. Any deficiencies detected during these regular inspections, that might negatively impact the environment shall be promptly corrected. The inspection must include, as applicable, an observation of:
- a) the condition of every hazardous waste container and all piping and ancillary equipment;
 - b) the condition of the secondary containment system and of any other mechanism that prevents the release of hazardous waste;
 - c) any indications of a release of hazardous waste or of any deterioration of containers, piping, ancillary equipment or a secondary containment system that increases the likelihood of a release; and

- d) recommendations for remedial action and actions undertaken.
35. The record referred to in Clause 34 shall include the date of the inspection, the name of the person who conducted the inspection and the observations made by that person during the inspection.

Respecting Emergency Response

36. The Licencee shall prepare and maintain an emergency response contingency plan in accordance with the Canadian Centre for Occupational Health and Safety “Emergency Response Planning Guide” or other emergency planning document acceptable to the Director.
37. The emergency response contingency plan shall be designed to minimize hazards from fires, explosions, or any unplanned release of hazardous waste or contaminants.
38. A copy of the contingency plan shall be kept on site and emergency response information must be posted next to the telephone.

Respecting Trained Personnel

39. The Licencee shall provide and maintain training for all persons who will be assigned duties with respect to the facility in:
- a) *the Transportation of Dangerous Goods Regulation*;
 - b) the procedures pertaining to the operation of the facility including spill response; and
 - c) appropriate personal health and safety procedures.

Insurance and Financial Assurance

40. The Licencee shall maintain throughout the term of this License:
- a) \$50,000.00 Property Insurance;
 - b) \$5,000,000.00 General Comprehensive Liability Insurance; and
 - c) \$250,000.00 Environmental Impairment Liability Insurance.
41. The Director may, where it is deemed to be in the public interest, require the Licencee to provide financial assurance in the form of a letter of credit, a bond, further insurance, or other form acceptable to the Director in an amount to be determined by the Director. The Director may order forfeiture of this security, either in whole or in part, by giving notice to that effect to the Licencee upon the Director being satisfied that the facility is in breach of any of the terms of this License, or for reimbursement of any costs or expenses incurred by the Province of Manitoba in rectifying environmental damage caused, or contributed to, by the operation of the facility.

Respecting Alterations and Decommissioning

42. The Licencee shall obtain approval in writing from the Director for any proposed alteration to the facility before proceeding with the alteration.
43. The Licencee shall, in the event that the facility is to be permanently closed or is offered for sale, conduct an investigation, to the satisfaction of the Director, to identify any contamination which may have resulted from the operation of the facility.
44. The Licencee shall, where the investigation referred to in Clause 43 of this Licence shows that contamination of the environment has occurred, submit a remediation proposal to the Director and upon approval of this proposal by the Director carry out the required remediation.

REVIEW AND REVOCATION

- A. If, in the opinion of the Director, the Licencee has exceeded, or is exceeding, or has failed, or is failing to meet the specifications, limits, terms, or conditions set out in this License, the Director may, temporarily or permanently, revoke this License.
- B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this License, the Director may require the filing of a new application pursuant to *The Dangerous Goods Handling and Transportation Act*.

“original signed by”

Tracey Braun, M.Sc.
Director
*The Dangerous Goods Handling
And Transportation Act*

Client File No.: 5729.00
Consignor (Generator) Registration No.: MBG13417
Consignee (Receiver) Registration No.: MBR30110