

Ms. Stacy McBride

Petroleum Branch Ministry of Innovation, Energy and Mines Box 1359, 227 King Street West Virden, Manitoba ROM 2C0

January 22, 2016

RE: Pipestone Lateral Pipeline

Dear Ms. McBride,

Tundra Energy Marketing Limited hereby makes application under section 149 (2) of the Oil and Gas Act for a Pipeline Construction Permit for one pipeline from 12-4-10-28 to 15-01-10-28 WPM and two Lease Automatic Custody Transfer units, one at 12-4-10-28 WPM and one at 2-11-10-28 WPM.

Documentation requested by Manitoba Innovation, Energy and Mines department for such Permit Application is included in the enclosed package.

Sincerely,

Sam Stephenson VP, Engineering & Construction Tundra Energy Marketing Limited

cc. Petroleum Branch, Winnipeg, MB



An Application to Manitoba Innovation, Energy and Mines Petroleum Branch

to Construct a New Crude Oil Pipeline

From New TEML LACT Facilities at 12-4-10-28 WPM and 2-11-10-28 WPM To a New Pipeline Riser at 15-01-10-28 W1M

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1. Introduction

Tundra Energy Marketing Limited (hereafter referred to as "TEML") proposes to build, own, and operate one new pipeline between a new Lease Automatic Custody Transfer (LACT) unit at 12-4-10-28 W1M and above grade valve site at 15-01-10-28 W1M. The pipeline will also connect to a new LACT unit at 2-11-10-28 W1M.

The installation of the pipeline will bring benefits both to the direct users of the pipeline system, and to those indirectly affected by system operations. These benefits include:

- Establishing pipeline interconnection between TEML's new LACT's at 12-4-10-28 W1M and 2-11-10-28 W1M and the existing Cromer Tank Terminal (CTT) facility, eliminating product trucking;
- A reduction in environmental impact for construction by installing the majority of the proposed pipeline within an existing inactive NPS6 pipeline and within existing TEML Right of Way ("RoW").

In accordance with Section 149(2) of the Oil and Gas Act, TEML hereby makes application to Manitoba Innovation, Energy and Mines - Petroleum Branch, for approval of a pipeline construction permit.

2. Applicant Information

The proposed pipeline will be owned and operated by TEML which is a whollyowned subsidiary of Winnipeg-based James Richardson & Sons, Limited ("JRSL"). JRSL is a multi-disciplined enterprise with operations in agriculture, food processing, financial services, property management and energy exploration in Manitoba and the prairies.

TEML is experienced in the operation of similar oil pipelines. The proposed pipeline will be operated out of TEML's Cromer field office.

The pipeline will be designed by Asher Engineering Ltd. Asher has been in the consulting engineering business since 1993, is licensed to practice engineering in Manitoba, and has specific experience with the design of these types of pipelines.

3. Overview of the Application

This application is for one new Flexpipe pipeline, with approximate aggregate length of 6,500m as detailed below:

- 1. One 130 mm OD length of pipeline, from a new TEML LACT facility at 12-4-10-28 W1M (Corex Battery) to a new TEML LACT facility at 2-11-10-28 W1M (Corex Battery). Approximate length is 4,750m.
- 2. One 130 mm OD length of pipeline from the new TEML LACT facility at 2-11-10-28 W1M to an above grade valve site at 15-01-10-28 W1M. Approximate length is 1,750m.

The new pipeline will be constructed in a single 15m RoW, with environmental disturbance minimized wherever practical. Approximately 65% or 4,300m of the pipeline will be installed inside the existing TEML DY-04 NPS6 (Licence #690) inactive pipeline.

The items below have been included with this application; in accordance with the requirements of Manitoba Petroleum Guideline 1:

a) A Survey Plan (provided in Appendix A) indicating the entire pipeline route, RoW, etc.

No tanks are associated with this project application.

- b) Survey Plot Plan information for the LACT locations and final (15-01) tiein location are included in Appendix B.
- c) Project typical crossing drawings for road and pipeline/utility crossings can be found in Appendix C.
- d) A Process Flow Diagram (PFD) for the proposed pipeline and LACTs, showing direction of flow and tie-in points, can be found in Appendix D.
- e) A Line List identifying landowners along the pipeline route is included in Appendix E.

4. Intended Use and Need

The intent of the installation of the pipeline is to connect TEML's concurrently constructed LACT units at 12-4-10-28 W1M and 2-11-10-28 W1M to an existing above grade valve site at 15-01-10-28 W1M, thus enabling transportation of crude oil volumes via pipeline to the TEML CTT via the existing DY-03 pipeline (License #555)

The installation of the pipeline will significantly reduce future truck traffic in the area that would be associated with fluid transportation from Producer Batteries at 12-4-10-28 W1M and 2-11-10-28 W1M

5. Pipeline Description

a) The pipeline will run between:

- New LACT at 12-4-10-28 W1M and New LACT at 02-11-10-28 W1M LACT,
- 2-11-10-28 W1M New LACT and 15-01-10-28 W1M.
- b) The pipeline will transport LVP crude oil.
- c) The pipeline will be approximately 6,500m in total length.
- d) The new pipeline will be Flexpipe, a three-layer thermoplastic/fiber material with the following parameters:

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e

e) Approximately 65% of the pipeline is intended to be installed within existing steel pipeline DY-04, an inactive NPS6 pipeline under License # 690. DY-04 is 168.3mm OD steel pipeline with MOP of 7,000 kPag, wall thickness of 3.2mm and installed in a 12.0m wide RoW.

The existing NPS6 pipeline will be used as a conduit only. Pressure containment will be by the new Flexpipe pipeline.

Installing the new pipeline within the existing steel pipeline offers additional protection and minimizes construction environmental footprint by significantly reducing RoW stripping and ditching requirements.

f) <u>Corrosion Control:</u> The pipeline will be fabricated with a corrosionresistant, coiled, continuous three-layer thermoplastic/fiber piping system.

The pipeline design will include facilities for routine pigging to remove water and/or sediment that may collect in low areas

<u>Spill Risk Mitigation:</u> The pipeline final destination point, CTT, is designed and equipped with shutdown systems including automated valves and pressure monitoring, metering systems, samplers, pumps, and a SCADA system.

Leak detection will be managed by integrating the new LACT connections into the existing computational leak detection system. Alarms will be triggered in the event of a leak, and TEML operators will be responsible for managing the response.

Operators will receive alarms to issue a shutdown should the pipeline operation deviate above or below the set points.

<u>Expected Hourly Flow:</u> The peak flow rate is anticipated to be approximately $10m^3/hr$.

<u>Terminal Storage Capacity:</u> No additional crude oil storage is proposed in association with this application.

- g) No process vessels are a part of this application.
- h) The proposed pipelines will carry liquid LVP product and as such, in the unlikely event of a pipeline rupture, spills would not result in significant vapor dispersion.

6. **Proof of Consultation and Access**

The following confidential information is contained in the Line List, included in this document as Appendix E:

- a) The names and addresses of all landowners, occupants and residents, complete with land location, within the following areas:
 i) 1.5 km radius of each endpoint of the pipeline and
 ii) a radius of 0.5 km along the length of the proposed line.
- b) A copy of the notice and proof of consultation with all parties listed in 6.a above.
- c) A description of the applicant's consultations with all parties listed in 6.a above including a summary of any concerns raised during the consultation process and all actions taken or proposed to be taken by the applicant to address concerns, and
- d) Proof of the right to access the proposed surface RoW.

7. Environmental Protection Plan

TEML has developed a general EPP to be used to govern all construction. The TEML EPP can be provided upon request. Matrix Solutions has conducted a predevelopment assessment of the RoW and will be monitoring construction to ensure environmentally responsible construction.

TEML will use a corporate level Emergency Response Plan (ERP) which is intended to handle any emergency situations that may arise. TEML's emergency

telephone number is 1-844-333-6789. This number is attended 24 hours a day, 7 days a week. The ERP will be amended to include the new pipelines.

8. Other Approvals

a) Municipalities

The R.M. of Wallace will be notified of the proposed project. Agreements for road crossings associated with this project will be obtained as required from the R.M.

- b) Urban Municipality The pipelines are not located within 1.5 km of an urban municipality.
- c) Historic Resources Branch Matrix Solutions has completed an environmental pre-development assessment of the proposed RoW. Screening results by the Manitoba Historic Resources Branch indicate that no previously recorded heritage sites have been identified and the potential of the pipelines to impact significant heritage resources is considered low.
- d) Manitoba Infrastructure and Transportation Manitoba Infrastructure and Transportation will be notified of the proposed project. Agreements for road crossings associated with this project will be obtained as required from Manitoba Infrastructure and Transportation.
- e) Railway Crossings There are no railway crossings associated with this project.
- f) Waterway Crossings
 There are no major water crossings associated with this project.
- g) Utility or Foreign Pipeline Crossings
 Utilities and foreign pipeline companies will be notified of the proposed pipelines and crossing agreements will be obtained.
- h) Surface Landowners All surface landowners have been notified of the proposed project and agreements are being discussed.
- Indian Bands There are no First Nations, Métis Communities or other Aboriginal communities in the area of the proposed pipelines.

 j) Pipeline Modifications
 Pipeline Modification Applications may be required for the interconnecting TEML pipeline tie-in. These applications will be drafted and submitted to the Manitoba Petroleum Branch under separate cover as necessary.

9. Environmental Licence

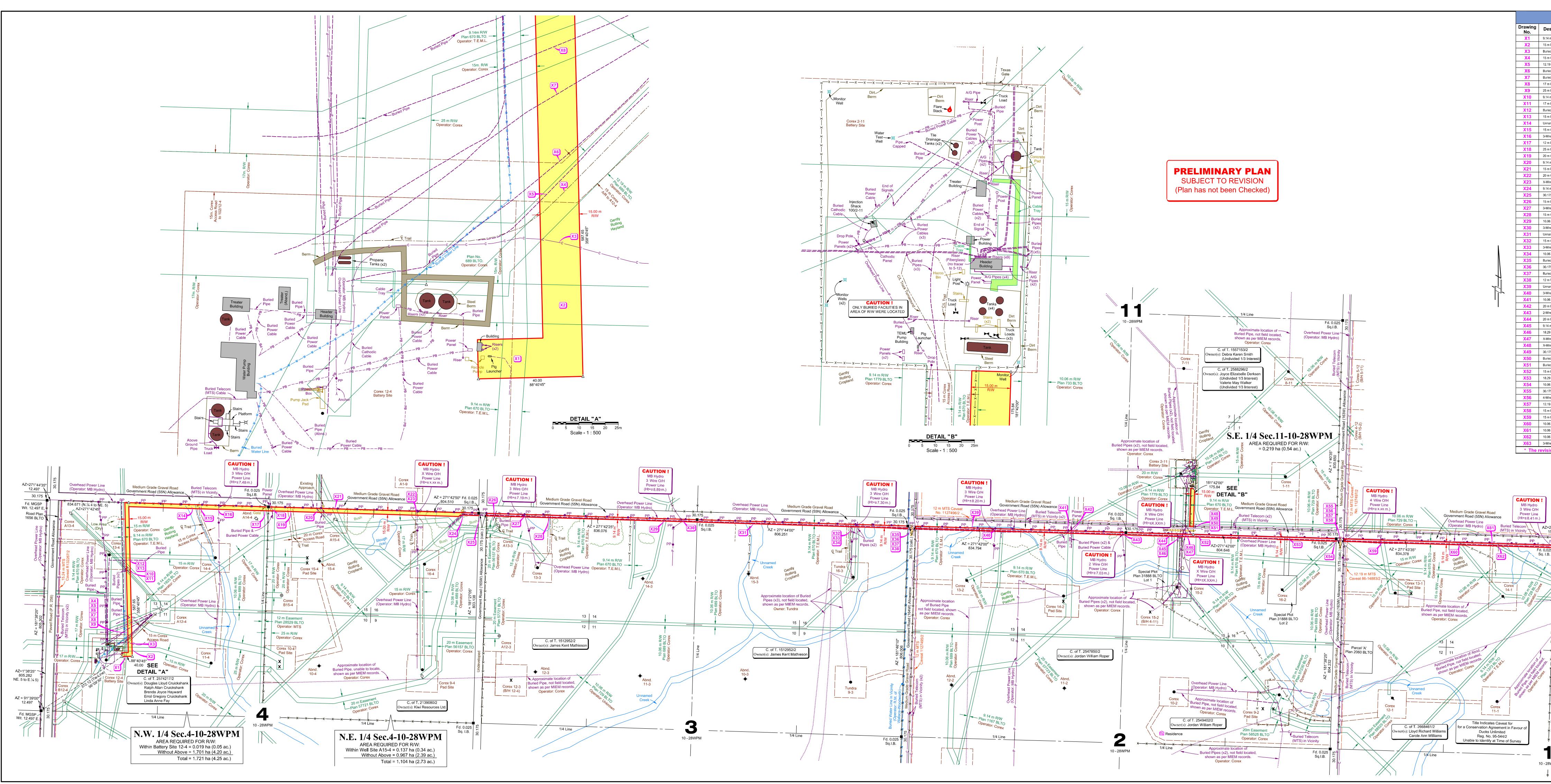
The proposed pipeline is approximately 6,500m in aggregate length and is to be constructed across nine quarters of land. The Environmental Approvals Branch has been notified of the project and it has been determined that an Environmental License will not be required. Matrix Solutions has completed a pre-construction review of the RoW and will be available for monitoring during critical stages of construction to ensure that no new environmental concerns arise between submission of this document and construction.

10. Initial Aboriginal Consultation Assessment

An Initial Aboriginal Consultation Assessment will be sent to Mr. Keith Lowdon, Director of the Petroleum Branch.

Appendix A

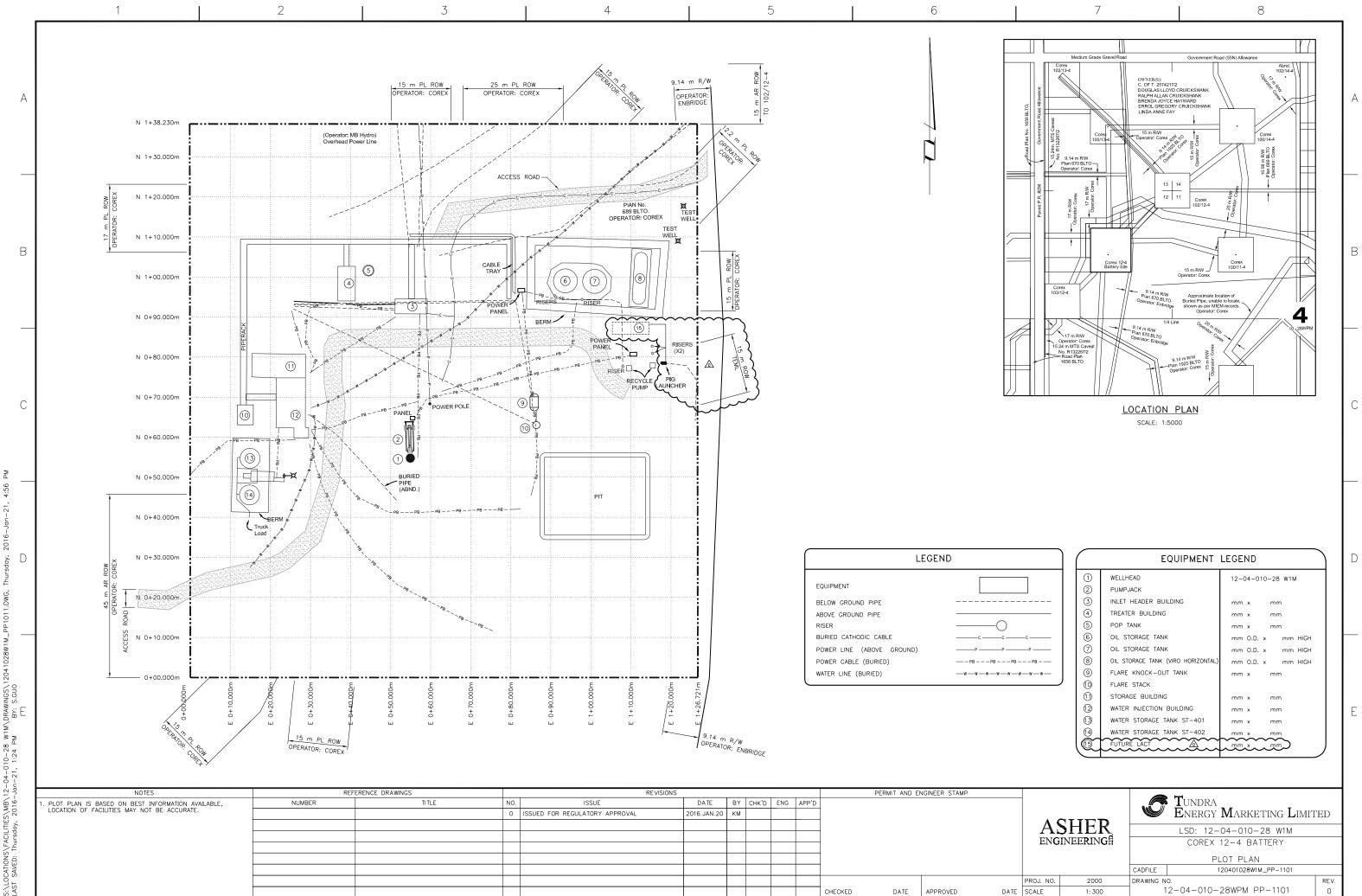
Survey Plan



CROSSING	ΤΑΙ	BLE	MLS AF	FIDAV	IT	
Description	Status	Location	I certify that the survey represented by this	OPERATOR :		
14 m R/W Plan 670 BLTO - Operator: TEML 5 m R/W - Operator: Corex	Not To Be Issued Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM	PRELIMINARY PLAN	TUNDRA ENERGY M.	ARKETING LTD.	
uried Cathodic Cable - Operator: Corex 5 m Corex Access Road (Trail)	Issued Rev.0 Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM	SUBJECT TO REVISION			
2.19 m R/W Plan 689 BLTO - Operator: Corex (Buried Pipe) uried Pipe - Operator: Corex	Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM	(Plan has not been Checked)			
uried Pipe - Operator: Corex 7 m R/W - Operator: Corex (Buried Pipe)	Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM				
5 m R/W - Operator: Corex (Buried Pipe) 14 m R/W Plan 1925 BLTO - Operator: Corex (Buried Pipe)	Issued Rev.0	NW 4-10-28WPM				
7 m R/W - Operator: Corex (Buried Pipe)	Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM	Total length of right-of-way ald	ong posted boundary :	6.41 km	
uried Pipe - Operator: Corex 5 m R/W - Operator: Corex	Issued Rev.0 Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM	-	ated with this drawing:	62 50	
nnamed Creek 5 m Corex Access Road (Trail)	Issued Rev.0 Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM		essing plans required : sing plans issued for foreign crossings only)	59	
Wire Overhead Power Line - Operator: MB Hydro 2 m Easement Plan 28529 BLTO - Operator: MTS (Buried Fibre Optic)	Issued Rev.0	NW 4-10-28WPM NW 4-10-28WPM				
5 m R/W - Operator: Corex (Buried Pipe & Power Cable)	Issued Rev.0	NE 4-10-28WPM				
) m Corex Access Road (Trail) 14 m R/W Plan 670 BLTO - Operator: TEML (Buried Pipe)	Issued Rev.0 Not To Be Issued	NE 4-10-28WPM NE 4-10-28WPM				
i m R/W - Operator: Corex) m Corex Access Road (Trail)	Issued Rev.0 Issued Rev.0	NE 4-10-28WPM NE 4-10-28WPM				
Wire Overhead Power Line - Operator: MB Hydro 14 m R/W Plan 670 BLTO - Operator: TEML (Buried Pipes (x2))	Issued Rev.0 Not To Be Issued	NE 4-10-28WPM NE 4-10-28WPM				
0.175 Government Road (165W) Allowance - Undeveloped	Issued Rev.0	NW 3-10-28WPM				
5 m R/W - Operator: Corex (Buried Pipe) Wire Overhead Power Line - Operator: MB Hydro	Issued Rev.0 Issued Rev.0	NW 3-10-28WPM NW 3-10-28WPM	1			
5 m Corex Access Road (Trail)).06 m R/W Plan 729 BLTO - Operator: Unknown	Issued Rev.0 Issued Rev.0	NW 3-10-28WPM NW 3-10-28WPM]			
Wire Overhead Power Line - Operator: MB Hydro	Issued Rev.0	NW 3-10-28WPM NE 3-10-28WPM				
m Corex Access Road (Trail)	Issued Rev.0	NE 3-10-28WPM NE 3-10-28WPM				
Wire Overhead Power Line - Operator: MB Hydro 0.06 m R/W Plan 689 BLTO - Operator: Corex (Buried Pipe)	Issued Rev.0 Issued Rev.0	NE 3-10-28WPM	1			
rried Water Line - Operator: R.M. of Wallace-Woodworth .175 Government Road (164W) Allowance - Medium Grade Gravel Road	Issued Rev.0 Issued Rev.0	NW 2-10-28WPM NW 2-10-28WPM	1			
uried Telecom Cable - Operator: MTS ? m MTS Caveat 1127495/2 (Buried Telecom Cable)	Issued Rev.0 Issued Rev.0	NW 2-10-28WPM NW 2-10-28WPM				
nnamed Creek Wire Overhead Power Line - Operator: MB Hydro	Issued Rev.0	NW 2-10-28WPM NW 2-10-28WPM NW 2-10-28WPM				
0.06 m R/W - Operator: Corex (Buried Pipe)	Issued Rev.0	NW 2-10-28WPM	1			
) m Easement Plan 57723 BLTO - Operator: Corex (Buried Pipes (x2) & Power Cable) Wire Overhead Power Line - Operator: MB Hydro	Issued Rev.0 Issued Rev.0	NW 2-10-28WPM NW 2-10-28WPM	1			
) m R/W - Operator: Corex (Buried Pipe) 14 m R/W Plan 1779 BLTO - Operator: Corex (Buried Pipes (x2))	Issued Rev.0 Issued Rev.0	NE 2-10-28WPM NE 2-10-28WPM	}			
2.29 m Access Road Special Plot Plan 31888 BLTO Lot 1 - Operator: Corex (Trail) Wire Overhead Power Line - Operator: MB Hydro	Issued Rev.0	NE 2-10-28WPM NE 2-10-28WPM	LEGEND Placed Wooden Hub / Deflection Point shown thus:			^
Wire Overhead Power Line - Operator: MB Hydro	Issued Rev.0	SE 11-10-28WPM	Placed Wooden Hub / Deflection Point shown thus:—————— Found Survey Monuments shown thus:——————————			∆ ■
0.175 Government Road (55N) Allowance - Medium Grade Gravel Road uried Telecom Cable - Operator: MTS	Issued Rev.0 Issued Rev.0	SE 11-10-28WPM SE 11-10-28WPM	Right - of - Way boundary shown thus:			
uried Telecom Cable - Operator: MTS 5 m R/W - Operator: Corex	Issued Rev.0 Issued Rev.0	SE 11-10-28WPM NE 2-10-28WPM	}			
3.29 m Access Road Special Plot Plan 31888 BLTO Lot 2 - Operator: Corex (Trail) 9.06 m R/W - Operator: Corex (Buried Pipe)	Issued Rev.0	NE 2-10-28WPM NE 2-10-28WPM				
0.175 Government Road (163W) Allowance - Medium Grade Gravel Road	Issued Rev.0	NW 1-10-28WPM	- All Marker Posts placed are 0.3 metres inside the GRA unless sho	wn otherwise		
Wire Overhead Power Line - Operator: MB Hydro 2.19 m MTS Caveat 86-14883/2 (Buried Telecom Cable)	Issued Rev.0 Issued Rev.0	NW 1-10-28WPM NW 1-10-28WPM	 Right-of-way to be filed is 15.00 metres in perpendicular width thro Azimuths are grid and are referred to UTM projection, NAD 83 (Zo 	•		
5 m R/W - Operator: Corex 5 m R/W - Operator: Corex (Buried Pipes (x2))	Issued Rev.0 Issued Rev.0	NW 1-10-28WPM NW 1-10-28WPM				
0.06 m R/W - Operator: Corex 0.06 m Corex Access Road (Trail)	Issued Rev.0	NW 1-10-28WPM NW 1-10-28WPM				
2.06 m R/W Plan 728 BLTO - Operator: Corex Wire Overhead Power Line - Operator: MB Hydro	Issued Rev.0	NW 1-10-28WPM NE 1-10-28WPM	DISCLAIMER: This plan represents the best information avail			
ision stated in the Status column refers to the Construction I	rıan revision.		responsibility for the location of any undergroup Facilities shown on this plan are for information ENERGY MARKETING LTD., MTS Communic contacted for location of any underground facil	nal purposes only. Prior to any construction or cations Inc., Manitoba Hydro, and Manitoba Hy	h lease or access road, T	UNDRA
1			- 0 Issued		KD - AV/BM - CK	Dec. 23, 20
PP 30.175 PP	9.14 m R/W Plan 682 BLTO Operator: T.E.M.L. W CW W Q	Buried Telecom (MTS) In Vicinity	NO. REVISIONS	Y MARKET	TING L	
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× eu × eu × eu × • • • • • • • • • • • • • • • • • • •		AZ = 181°40'25" 804.944 um Grade Gravel Road	& S.E. Twp. 10 -	/2 Sec. 4, 1/4 Sec. 11, - Rge. 28WPM		
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Appendix B

Plot Plans

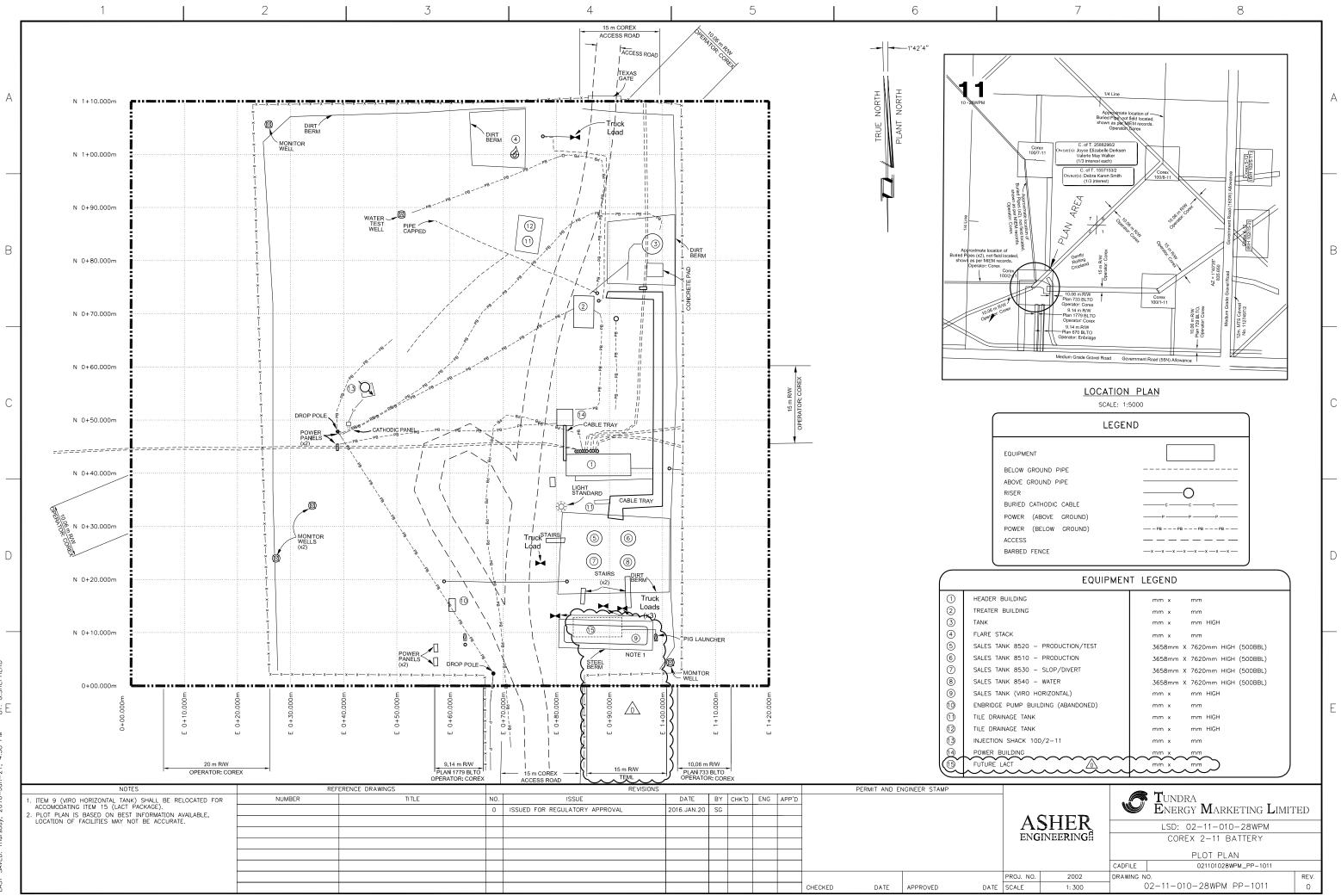


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	2	PUMPJACK									
	3	INLET HEADER BUILDING	mm x mm								
	4	TREATER BUILDING	mm x mm								
	5	POP TANK	mm x mm								
-c	6	OIL STORAGE TANK	mm O.D. x mm HIGH								
P	$\overline{\mathcal{O}}$	OIL STORAGE TANK	mm O.D. × mm HIGH								
P8	8	OIL STORAGE TANK (VIRO HORIZONTAL)	mm O.D. x mm HIGH								
-ww	9	FLARE KNOCK-OUT TANK	mm x mm								
	10	FLARE STACK									
	1)	STORAGE BUILDING	mm x mm								
	12	WATER INJECTION BUILDING	mm x mm								
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	14	WATER STORAGE TANK ST-402	mm x mm								
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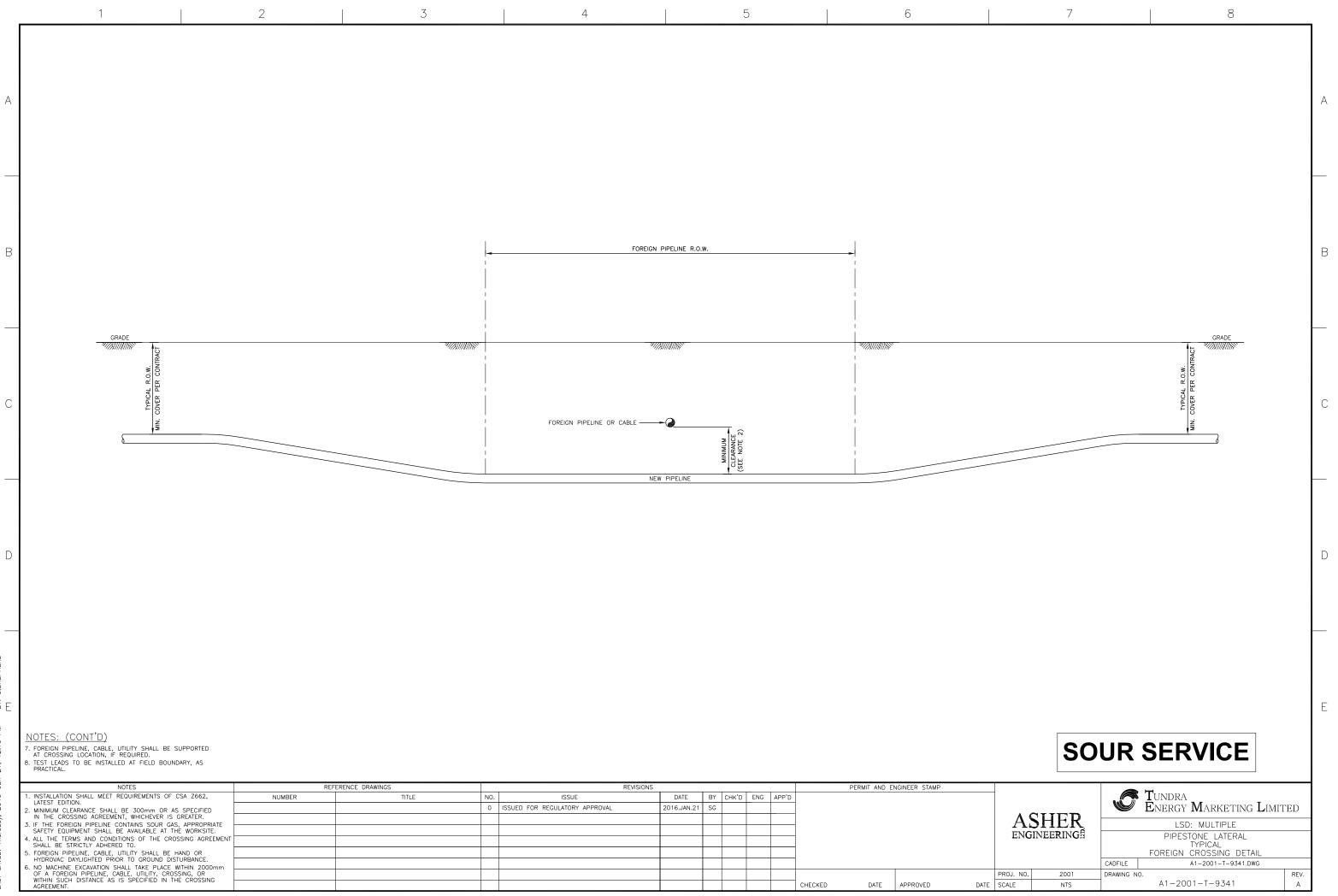
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Appendix C

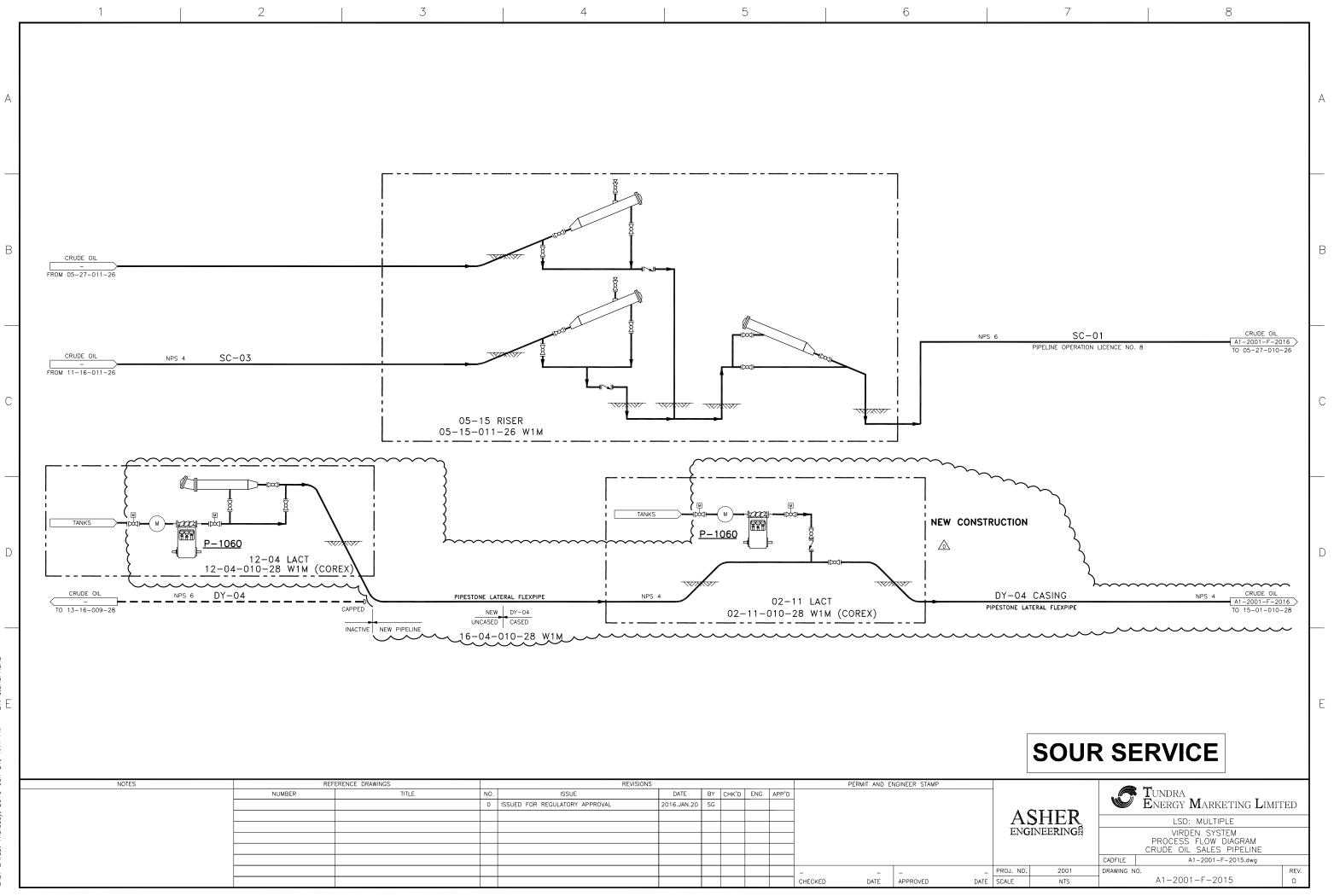
Crossing Typicals



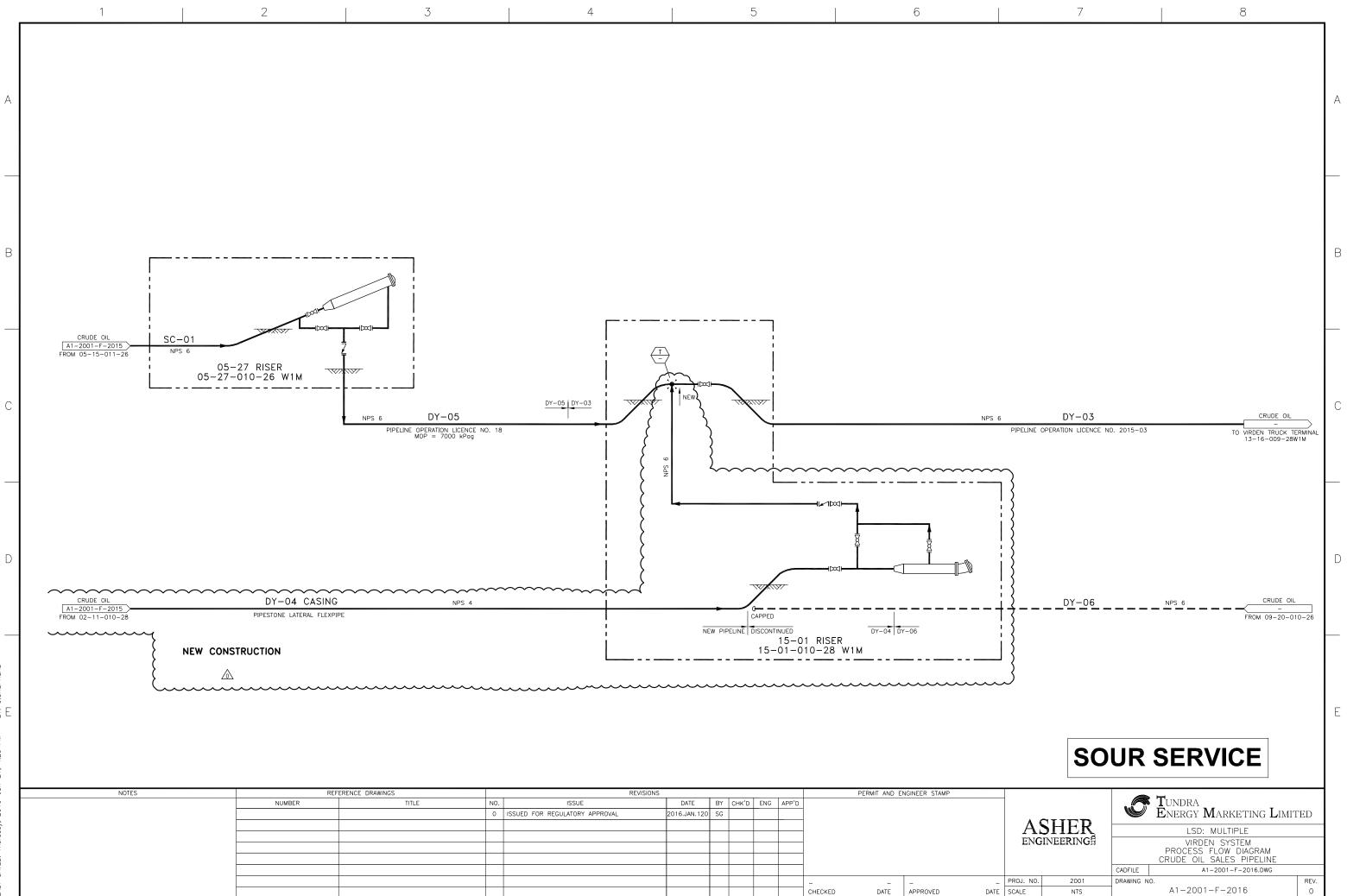
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 INSTALLATION SHALL MEET REQUIREMENTS OF CSA Z662, LATEST EDITION. 	NUMBER	TITLE	NO. ISSUE	DATE	BY C	HK'D ENG APP'D				
2. MINIMUM CLEARANCE SHALL BE 300mm OR AS SPECIFIED			0 ISSUED FOR REGULATORY APPROVAL	2016.JAN.21	SG					
IN THE CROSSING AGREEMENT, WHICHEVER IS GREATER.										
 IF THE FOREIGN PIPELINE CONTAINS SOUR GAS, APPROPRIATE SAFETY EQUIPMENT SHALL BE AVAILABLE AT THE WORKSITE. 										
 ALL THE TERMS AND CONDITIONS OF THE CROSSING AGREEMENT SHALL BE STRICTLY ADHERED TO. 										
 FOREIGN PIPELINE, CABLE, UTILITY SHALL BE HAND OR HYDROVAC DAYLIGHTED PRIOR TO GROUND DISTURBANCE. 										
6. NO MACHINE EXCAVATION SHALL TAKE PLACE WITHIN 2000mm										
OF A FOREIGN PIPELINE, CABLE, UTILITY, CROSSING, OR WITHIN SUCH DISTANCE AS IS SPECIFIED IN THE CROSSING										
AGREEMENT.							CHECKED	DATE	APPROVED	DATE

Appendix D

Process Flow Diagram



NOTES	REFEREN	NCE DRAWINGS	REVIS	PERMIT AND ENGINEER STAMP								
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