

**Manitoba**



**Mineral Resources**

Petroleum Branch

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June 3, 2014

Mr. Bryan Lankester

President

**Tundra Energy Marketing Limited**

1000, 715-5<sup>th</sup> Avenue S.W.

Calgary, Alberta

T2P 2X6

**Re: Pipeline Operating Licence No 2012-04A for Tundra Energy Marketing Limited**

Dear Mr. Lankester:

I am submitting a signed copy of the transferred Pipeline Operation Permit 2012-04A for Tundra Energy Marketing Limited which was approved by Minister Chomiak on May 29, 2014 under Section 158 of *The Oil and Gas Act*. Please note the conditions for operation of the pipeline are listed on the permit. The pipeline can continue in operation- no shut down is required.

The Petroleum Branch provides a 24 hour on call service. If an off hour emergency arises please call 1-204-748-4260.

If you have any questions regarding this approval please contact the undersigned at 1-204-945-6570.

Sincerely,

A handwritten signature in black ink, appearing to read "Leo Leonen", with a stylized flourish at the end.

Leo Leonen

Technical Engineering Officer

Manitoba Petroleum Branch

Attachment

c.c. Pamela Hilderman, Aikins Law  
Linda Risseeuw, Penn West  
Sam Stephenson, Asher Eng.  
PB Waskada Office



**MINISTER OF  
MINERAL RESOURCES**

Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

**THE OIL AND GAS ACT**

**PIPELINE OPERATING LICENCE NO. 2012-04A**

**CRUDE OIL PIPELINE from 11-30-1-25 WPM to 12-30-1-25 WPM  
PENN WEST EXPLORATION**

**WHEREAS**, Penn West Petroleum Ltd. (Penn West) made application under Section 152 of The Oil and Gas Act ("the Act") for authorization to operate a crude oil pipeline starting at 11-30-1-25 WPM and terminating at 12-30-1-25 WPM. This line connects existing and pre-licensed facilities at each end.

**AND WHEREAS**, on May 1, 2014 Tundra Energy Marketing Limited ("TEML") has purchased the line and has made application under Section 158 of the Act for authorization to transfer Pipeline Operation Permit 2012-04.

**AND WHEREAS**, Subsection 158 of the Act provides as follows:

158 *Subject to subsection 100(3), a licence or permit issued under this Part may be transferred in accordance with the regulations.*

**AND WHEREAS**, the Minister is satisfied that the application to transfer is complete and that Tundra Energy Marketing Limited is registered under The Corporations Act.

**NOW, THEREFORE**, the Minister approves the transfer and continued operation of the pipeline in accordance with the following terms and conditions:

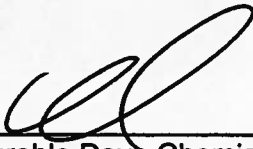
1. The Licensee shall operate and maintain the pipeline and LACT units in accordance with the Act, this license, CSA Standard Z662- Oil and Gas Pipeline Systems and the procedures contained in the Tundra Energy Marketing Limited Pipeline Operating and Maintenance Manual, all as amended from time to time.
2. The maximum operating pressure ("MOP") of the pipeline is 9,300 kPa. The MOP of the pipeline may be varied by the Director.
3. The Licensee shall provide the Director with a copy of the pipeline tariff schedules and shall advise the Director in writing of any changes in the tariff schedules.

4. The Licensee shall not make modifications to the pipeline without the approval of the Minister obtained in accordance with Section 150 of the Act. The Minister's authority under Section 150 of the Act is delegated to the Director pursuant to Order in Council 384/2001.
5. The Licensee shall maintain membership in the Manitoba Producers Oil Spill Cooperative.
6. The Licensee shall provide the Director with an annual report on pipeline operations pursuant to Subsection 152(4) of the Act. The annual pipeline report shall include:
  - (a) volumes of oil transported each month;
  - (b) any leaks, breaks or contact damage;
  - (c) any major modifications, maintenance or repairs;
  - (d) any changes to the tariff schedule;
  - (e) a copy of the Certificate of Insurance covering the current and next year's operation; and
  - (f) any other information requested by the Director.

Each annual report shall be filed with the Director of the Petroleum Branch no later than sixty (60) days after the end of each calendar year.

7. The Licensee shall register a plan of the pipeline in the appropriate Land Titles Office.
8. The Minister may amend the terms and conditions of this licence, as the Minister considers necessary or advisable to meeting changing conditions.
9. Pipeline Operation Permit No. 2012-04 has been revoked.
10. This licence shall continue until revoked by the Minister.

Dated this 29<sup>th</sup> day of May, 2014.

  
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Honourable Dave Chomiak  
Minister Mineral Resources