



**MINISTER OF  
MINERAL RESOURCES**

Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

**THE OIL AND GAS ACT**

**PIPELINE OPERATING LICENCE No. 2013-08**

**PIPELINE from 11-30-1-25 WPM to 14-19-1-25 WPM  
PENNWEST PETROLEUM LTD.**

**WHEREAS**, PennWest Petroleum Ltd. (PennWest) made application under Section 152 of The Oil and Gas Act ("the Act") for authorization to operate one 4" (114 mm OD) steel pipeline. This gas pipeline will transport dry sweet gas. It starts at the Waskada 11-30-1-25 WPM gas plant and terminates at the riser located at 14-19-1-25 WPM and will tie into a pre-existing pipeline. The schedule A attachment shows the route.

**AND WHEREAS**, Subsection 152(3) of the Act provides as follows:

*152(3) Where the minister is satisfied that an applicant for a pipeline operating permit has complied with this Act and the terms and conditions of the pipeline construction permit, the minister may, in accordance with the regulations, issue a pipeline operating licence to the applicant.*

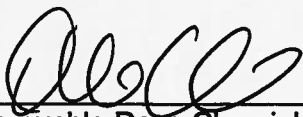
**AND WHEREAS**, the Minister is satisfied that the Licensee has complied with the Act, the terms and conditions of Pipeline Construction Permit No. 2013-06, dated August 7, 2013.

**THEREFORE**, the Minister approves operation of the pipelines in accordance with the following terms and conditions:

1. The Licensee shall operate and maintain the gas pipeline in accordance with the Act, this license, *CSA Standard Z662-Oil and Gas Pipeline Systems*, *CSA Standards Z245.1 - Steel Line Pipe* and the procedures contained in the PennWest Pipeline Operating and Maintenance Manual, all as amended from time to time.
2. The maximum operating pressure ("MOP") of the gas pipelines is 1,760 psi (12,135 kPa). The MOP of the gas line 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 pipelines 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 details of:
  - a. volumes of gas transported each month;
  - b. any leaks, breaks or contact damage;
  - c. any major modifications, maintenance or repairs;
  - d. any changes to the tariff schedule; and
  - e. any other information requested by the Director.
  - f. 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 notify the Director in writing when clean-up and rehabilitation of the pipeline right of way has been completed.
8. The Licensee shall register a plan of the pipeline in the appropriate Land Titles Office.
9. The Minister may amend the terms and conditions of this licence, as the Minister considers necessary or advisable to meeting changing conditions.
10. This licence shall continue until revoked by the Minister.

Dated the 20<sup>th</sup> day of December, 2013

  
Honourable Dave Chomiak  
Minister of Mineral Resources