



**MINISTER OF
MINERAL RESOURCES**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

THE OIL AND GAS ACT

PIPELINE CONSTRUCTION PERMIT No. 2016-01

**TWO CREEKS PIPELINE
FROM 03-34-12-27 WPM to 08-16-11-26 WPM
TUNDRA ENERGY MARKETING LIMITED**

WHEREAS, Tundra Energy Marketing Limited (TEML) made application under Section 149 of The Oil and Gas Act ("the Act") for authorization to construct a 6" (168.3mm) O.D. crude oil pipeline and Lease Automatic Custody Transfer (LACT) unit from the existing Elcano Exploration Inc. (Elcano) oil battery at 03-34-12-27 WPM to a proposed riser located at 08-16-11-26 WPM.

AND WHEREAS, notice of the application was published by Manitoba Mineral Resources and notice sent to all landowners and other parties who may be affected by the application;

AND WHEREAS, the Minister has considered representations and recommendations received as a result of notice of the application and are satisfied the application complies with the Act and that construction of the pipeline is consistent with the principles of sustainable development;

AND WHEREAS, Subsection 149(4) of the Act provides as follows:

149(4) The minister may, in accordance with the regulations, issue a pipeline construction permit on such terms and conditions as the minister considers necessary or advisable.

AND WHEREAS, Subsection 149(5) of the Act provides as follows:


149 (5) Where the minister issues a pipeline construction permit under subsection (4), the minister shall, in accordance with the regulations, fix the route of the pipeline.

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

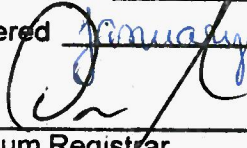
1. The permittee shall design and construct the pipeline in accordance with the most recent version of CSA Standard Z662 - Oil and Gas Pipelines Systems, CSA Standards Z245.1 - Steel Line Pipe and other applicable standards and the specifications, drawings and other information and data set forth in its application.
2. The permittee shall obtain the approval of the owner and any occupant in accordance with Subsection 151(2) of the Act, prior to entering on any land for the purpose of constructing the pipeline.
3. The permittee shall not proceed with construction until an Environment Act Licence for this project has been approved. The permittee shall comply with the terms and conditions of the Environmental Act Licence and any amendments thereto.
4. Schedule A; the final approved route of the pipeline.
5. The permittee shall not make any modifications to the pipeline without the approval of the Director. The Minister's authority under Subsection 150(1) of the Act is delegated to the Director pursuant to Order in Council 384/2011.
6. The permittee is to notify the Virden District Office of the Petroleum Branch ("District Office"):
 - a. not less than 7 days prior to commencing construction; and
 - b. immediately in the event of an accident.
7. The permittee shall carry out all excavations in accordance with Manitoba Labour and Immigration's Guidelines for Excavation Work. An excavation permit shall be obtained from the District Office.
8. The permittee shall develop and implement an Emergency Response Plan for construction of the pipeline. A copy of this shall be presented to the District Office for reference prior to the start of construction.
9. This construction permit does not imply consent or approval for proposed crossings of highways, provincial roads, municipal roads, railways, utility, waterways or other pipelines or flowlines. Separate crossing agreements, permits or licenses must be arranged with the appropriate authority or owner.
10. The permittee shall obtain authorization under *The Water Resources Administration Act* (Manitoba) for any works or structures, prior to the commencement of construction, on a provincial waterway. Steve Topping, Executive Director, Hydrologic Forecasting Water Management, Manitoba Infrastructure and Transportation can be contacted for further information at 204-945-7488.

11. The permittee shall consult with the Conservation and Water Stewardship, Wildlife Branch, prior to the commencement of any work to cross rivers, streams, sloughs or creeks.
Contact James Duncan, Director at 204-945-7465.
12. The permittee shall obtain authorization from Drainage and Water Control Licencing for a "Water Rights Licence to Construct Water Control Works" prior to the start of construction of any water control work.
Contact Barb Kingdon, Water Resources Officer, Northwest Region, Manitoba Conservation and Water Stewardship at 204-467-4450 in this regard.
13. The permittee may require authorization under *The Water Rights Act* for the withdrawal of water for hydrostatic testing.
Contact Rob Matthews, Manager, Water Use Licencing, Manitoba Water Stewardship at 204-945-6118 at least 2 weeks in advance of the anticipated usage date.
14. The permittee may require authorization from Manitoba Water Stewardship, prior to the discharge of hydrostatic test water.
Contact Nicole Armstrong, Director, Water Science and Management, Manitoba Conservation and Water Stewardship at 204-945-3991 in this regard.
15. The permittee must comply with the High-Pressure Directional Drilling Operational Statement of the Federal Department of Fisheries and Oceans Canada.
16. This permit shall expire at 4:00 p.m., January 27, 2017. An extension may be granted if requested prior to the expiry date.
17. The permittee shall not commence operation of the pipeline until a pipeline operating licence under Section 152 of the Act has been issued.

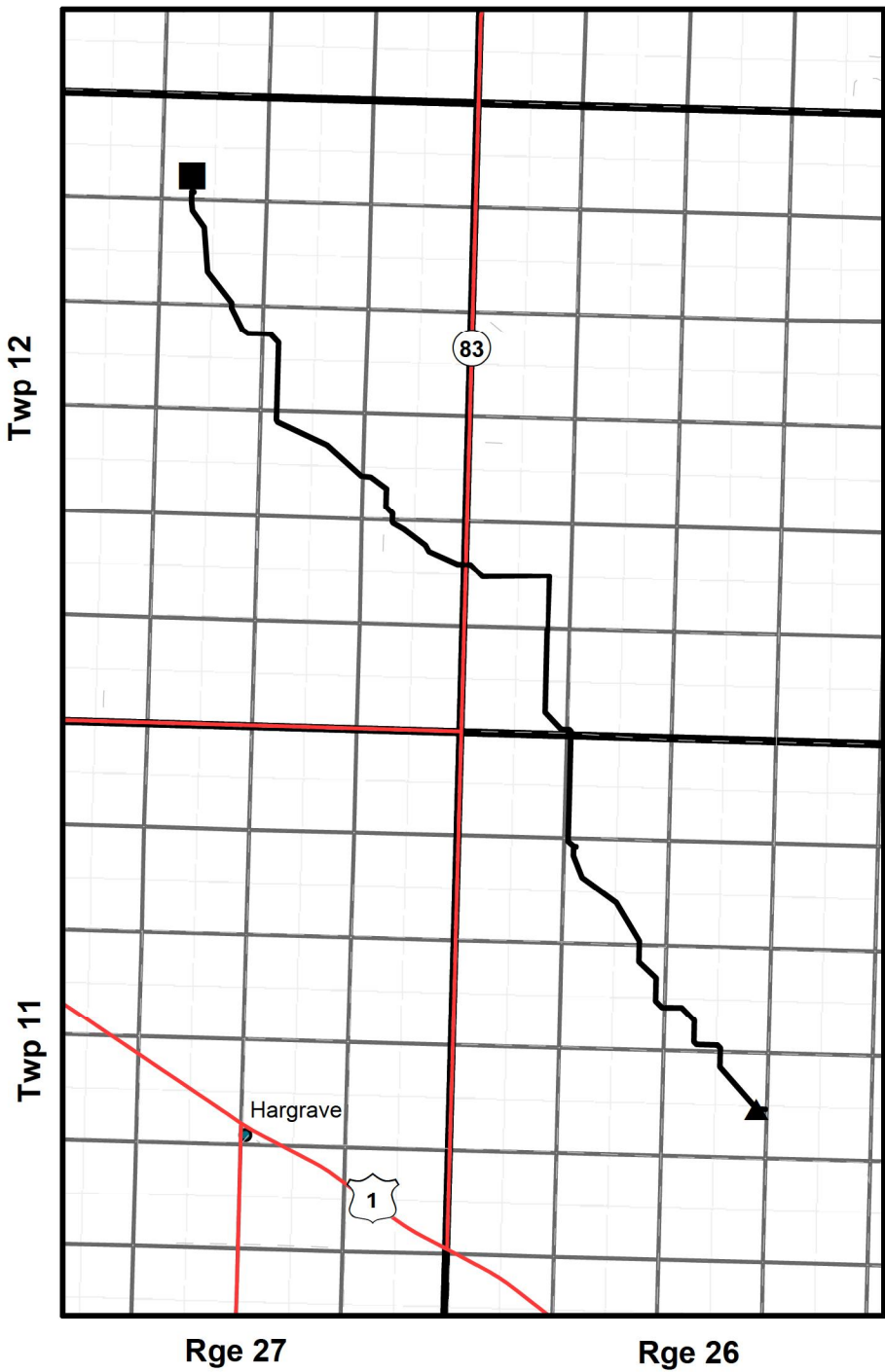
Dated the 18th day of January, 2016



Honourable Dave Chomiak, Minister
Manitoba Mineral Resources

PETROLEUM DOCUMENT REGISTRY	
Document No.	<u>110-4414</u>
Registered	<u>January 21, 2016</u>
	
Petroleum Registrar	

Schedule A
Tundra Energy Marketing Ltd.
Proposed Crude Oil Pipeline and
Lease Automated Custody Transfer Facility.



- Existing 03-34-12-27 Elcano Exploration Battery
Proposed Lease Automated Custody Transfer Facility
- ▲ New Pipeline Riser - 08-16-11-26
- Proposed Pipeline