September 10, 2009

Todd Habicht
HD Petroleum
1091 Fraser Road
Winnipeg MB R2N 4J9

Dear Mr. Habicht:

Enclosed is Dangerous Goods Handling and Transportation Act Licence No. 245 HW dated September 10, 2009 issued in accordance with The Dangerous Goods Handling and Transportation Act to HD Petroleum, for the construction and operation of a waste oil re-refining facility ("the facility") located on NE 2-3-1 EPM in the Rural Municipality of Montcalm, Province of Manitoba, on land leased from Miller Environmental Corporation, in accordance with the application filed under the Manitoba Dangerous Goods Handling and Transportation Act on April 21, 2009.

In addition to the enclosed revised Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with.

For further information on the administration and application of the revised Licence, please feel free to contact Adrian Jackson, Environment Officer at (204) 945-7108.

Pursuant to Section 25 of The Dangerous Goods Handling and 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 within 30 days of the date of the Licence.

Yours truly,

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

Enc.
c: D. Labossiere, Director, Environmental Operations
Public registries

NOTE: Confirmation of Receipt of this Licence No. 245 HW (by the Licencee only) is required by the Director of Environmental Assessment & Licensing Branch. Please acknowledge receipt by signing in the space provided below and faxing a copy (cover letter only) back to the Department by September 24, 2009.

On behalf of HD Petroleum (58614710 Manitoba Inc.)

Date

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE FACILITY AT ALL TIMES**
THE DANGEROUS GOODS HANDLING and TRANSPORTATION ACT
LOI SUR LA MANUTENTION ET LE TRANSPORT DES
MARCHANDISES DANGEREUSES

LICENSE

Licence No./ Licence n° 245 HW
Issue Date/Date de délivrance September 10, 2009

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:

5861471 MANITOBA INC. operating as HD PETROLEUM; "the Licencee"

for the construction and operation of a waste oil re-refining facility ("the facility") located on
NE 2-3-1 EPM in the Rural Municipality of Montcalm, Province of Manitoba, on land leased
from Miller Environmental Corporation, in accordance with the application filed under the
Manitoba Dangerous Goods Handling and Transportation Act on
April 21, 2009, 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;

"affected area" means a geographical area, excluding the property of the facility;

"contaminant" means any solid, liquid, gas, waste, radiation or any combination thereof that is
foreign to or in excess of the natural constituents of the environment and
a) that affects the natural, physical, chemical or biological quality of the
environment; or
b) that is or is likely to be injurious or damaging to the health or safety of a
person;

"A COPY OF THIS LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES"
"dangerous goods" means any product, substance or organism designated in the regulations, or conforming with the criteria set out in the regulations, or in any regulation adopted in accordance with The Dangerous Goods Handling and Transportation Act, and includes hazardous wastes;

"day tank" means the tank into which incoming waste oil is pumped;

"Director" means an employee so designated pursuant to The Dangerous Goods Handling and Transportation Act;

"hazardous waste" means any substance or group of substances so designated by the regulations or conforming to criteria set out in the regulations;

"noise nuisance" means an unwanted sound, in an affected area, which is annoying, troublesome, or disagreeable to a person
a) residing in an affected area;
b) working in an affected area; or
c) present at a location in an affected area which is normally open to the members of the public;

if the unwanted sound

   d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or

   e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted sound had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household;

"odour nuisance" means a continuous or repeated odour, smell or aroma, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant, or disagreeable to a person
a) residing in an affected area;
b) working in an affected area; or
c) present at a location in an affected area which is normally open to the members of the public;

if the odour, smell or aroma

   d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or

   e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the odour, smell or aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household;

“oil” means any petroleum or synthetic crankcase oil, engine oil, hydraulic fluid, transmission fluid, gear oil, heat transfer fluid, or other fluid capable of use for lubricating purposes in machinery or equipment;
"opacity" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background;

"operator" means a person who is responsible for the day-to-day maintenance and operation of the facility;

"particulate matter" means any finely divided liquid or solid matter other than water droplets;

"particulate residue" means that part or portion of an atmospheric emission which is deposited onto a surface;

"point source" means any point of emission from the facility where contaminants are directed by a stack into the atmosphere;

"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;

"sanitary wastes" means human body, toilet, liquid, waterborne culinary, sink or laundry waste;

"stack" means a duct, flue, pipe, chimney, vent, opening or other structure through which contaminants are emitted to the atmosphere;

"standard methods" means procedures prescribed in the most current edition of "Standard Methods for the Examination of Water and Wastewater" published jointly by the American Public Health Association, the American Waterworks Association and the Water Pollution Control Federation, or in accordance with an equivalent sampling and analytical methodology approved by the Director;

"tank farm" means the area identified in the Application received on April 21, 2009, where the storage tanks are situated;

"waste oil" means oil that through use, storage, handling, defect, damage, expiry of shelf life or other similar circumstances can no longer be used for its original purpose;

"waste(s)" means any matter, substance, or emission which is or has been created or emitted by the transportation, storage, treatment or handling of any product whatsoever and which is or should be intended for discard or disposal; and

"wastewater" means any liquid containing a contaminant as defined in The Manitoba Dangerous Goods Handling and Transportation Act, associated with or resulting from the facility which is discharged into the environment.
GENERAL REQUIREMENTS

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.

The specifications, limits, terms and conditions of this Licence are severable. If any term or condition of this Licence, or the application of any specification, limit, or term or condition to any circumstances is held invalid, the application of such specification, limit, or term or condition to other circumstances and the remainder of this Licence shall not be affected thereby.

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. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.

3. The Licencee shall, upon the request of the Director and in addition to any of the limits, terms or conditions specified in this Licence:
   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 contaminants from the said facility; or
   c) 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.

4. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all sampling of, and preservation and analyses on liquid samples, including but not limited to surface water and ground water, in accordance with standard methods;
   b) carry out all sampling of, and preservation and analyses on dangerous goods, hazardous wastes, soil, air and biological samples in accordance with methodologies approved by the Director;
   c) use an accredited laboratory for all analytical determinations are undertaken; and
   d) report the results to the Director within 60 days of the samples being taken.

5. The Licencee shall for the purpose of compliance monitoring notify the Director orally concerning any actual or anticipated breach or failure to meet any specification, limit, term
or condition of this Licence, as soon as possible after discovery, and in any event within 2 working days of discovery.

6. The Licencee shall provide to the Director, upon request, all information required under this Licence, in writing and in such form (including number of copies), as may be specified by the Director.

7. The Licencee shall submit to the Director all records, as determined by the Director, that are relevant to the control of contaminants with respect to construction, alteration, or operation of the facility or regarding the conduct of any activity at the facility.

8. The Licencee shall, unless otherwise specified by this Licence, retain all records 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.

9. The Licencee shall submit all reports or other information required to be submitted to the Director, in accordance with the specifications, limits, terms and conditions of this Licence, under the signature of the General Manager or designate, as approved by the Director.

10. The Licencee shall carry out, as deemed necessary by the Director, any remedial measures or modifications in respect to matters authorized under this Licence.

11. The Director, or an Environment Officer, may at any reasonable time, 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.

12. The Licencee shall, in addition to the requirements of this Licence, carry out all aspects of the operation of the facility in compliance with the Agreements between Miller Environmental Corporation and the Manitoba Hazardous Waste Management Corporation, and any amendments thereto.

13. The Licencee shall notify the Director of any intended alteration of process at the facility that is likely to cause a change in the environmental effect of the facility, prior to implementing the alteration.

LIMITS, TERMS AND CONDITIONS

14. The Licencee shall, before operating the facility, obtain a Designated Flood Area Permit as required by Manitoba Regulation 59/2002, a regulation under the Water Resources Administration Act.
15. The Licencee shall, before operating the facility, sign agreements with Miller Environmental Corporation and the Manitoba Hazardous Waste Management Corporation respecting the operation of the Licencee’s facility leased from Miller Environmental Corporation and the Manitoba Hazardous Waste Management Corporation, and provide copies of said agreements to the Director.

16. The Licencee shall, prior to commencing operation of the facility, submit a plan for all fences and fence gates proposed for the facility to the Director for approval.

17. The Licencee shall, prior to commencing operation of the facility, construct all fences and gates in accordance with the plan prepared pursuant to Clause 16, of this Licence, as approved by the Director.

18. The Licencee shall lock the facility in a manner that prevents unauthorized delivery of waste oil into the facility when the operator or other trained personnel is not present at the facility.

19. The Licencee shall:
   a) post legible, weatherproof signs at the entrance to the facility identifying the area as a waste oil re-refining facility; and
   b) indicate on the signs the hours of operation, a contact number and a warning not to leave waste oil at the facility when the operator or other trained personnel is not available to accept delivery.

20. The Licencee shall have trained personnel on site at all times when the facility is open to receive waste oil.

21. The Licencee shall not receive any hazardous waste at the facility other than waste oil.

22. The Licencee shall not accept at the facility and may return to the person who previously possessed the waste oil, any used oil that is deemed to be contaminated.

23. The Licencee shall not receive at the facility waste oil from commercial or industrial generators that are not registered generators.

24. The Licencee shall transport hazardous waste to or from the facility only when it is accompanied by a hazardous waste manifest, or a dangerous goods shipping document, as appropriate.

25. The Licencee shall transport hazardous waste to or from the facility only when licenced hazardous waste carriers are consigned to transport the hazardous waste.
26. The Licencsee shall whenever waste oils are being transferred to or from the cargo tank of a vehicle, or to or from the storage tanks, or any other transfer systems, supervise the transfer at all times and in such a manner that the flow of liquid can be immediately shut off.

27. The Licencsee shall design and construct all areas where vehicles may be parked during the transfer of waste oils so that the area between the vehicle and an aboveground tank will contain any spillage and to allow delivery hoses and lines to be drained before they are disconnected.

28. The Licencsee shall construct the facility so that:
   a) the storage tank area of the facility is underlain with a concrete base and surrounded by a containment dike with a minimum height of 60 centimetres;
   b) both the base and containment dike are sealed to prevent penetration by waste oils and/or other liquids;
   c) the containment dike is designed, constructed and maintained so as to retain not less than 110% of capacity of the largest tank within the diked area;
   d) the containment dike is constructed of concrete or masonry; and
   e) the containment dike is joined to the impermeable base in such a manner to prevent infiltration at the dike base interface.

29. The Licencsee shall not store waste oil for a period exceeding 180 days from the date of receipt of the used oil at the facility.

30. The Licencsee or the operator shall representatively sample each full day tank of waste oil and retain the sample until verification of destruction or recycling of the oil is received.

31. The Licencsee shall, upon the request of the Director, have the sample of waste oil referred to in Clause 30, of this Licence, analyzed for parameters specified by the Director, by an accredited laboratory.

32. The Licencsee shall submit to the Director at least 30 days before any waste oil is received at the facility, an operations manual for approval by the Director.

33. The Licencsee shall operate the waste oil re-refinery in accordance with the operations manual approved by the Director pursuant to Clause 32 of this Licence.

34. The Licencsee shall, prior to initiating construction of the facility, submit three sets of final engineering design plans, sealed by an engineer(s) registered with the Association of Professional Engineers and Geoscientists of the Province of Manitoba, to the Director for approval.

35. The Licencsee shall construct the facility in accordance with the design plans approved by the Director pursuant to Clause 34 of this Licence.
36. The Licencees shall
   a) prepare "as constructed drawings" for the facility and shall label the drawings "as constructed"; and
   b) provide to the Director, 30 days after completion of construction, three sets of "as constructed" drawings of the waste oil facility.

37. The Licencee shall only treat waste oil using processes as described in the application received on April 21, 2009, unless otherwise approved by the Director.

**Respecting Air Emissions**

38. The Licencee shall not emit from the facility
   a) particulate matter in any air emission that
      i) exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees Celsius and 760 millimetres of mercury, corrected to 12 percent carbon dioxide for processes involving combustion, from any point source of the facility;
      ii) exhibits a visible plume with an opacity of greater than 5 percent at any point beyond the property line of the facility; or
      iii) results in the deposition of visible particulate residue at any time beyond the property line of the facility; or
   b) particulate matter from any point source with an opacity that equals or exceeds
      i) 20 percent as the average of any 24 consecutive opacity observations taken at 15 second intervals;
      ii) 20 percent for more than 16 individual opacity observations within any 1 hour period; or
      iii) 40 percent for any individual opacity observation.

39. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation, or alteration of the facility, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

40. The Licencee shall not cause or permit an odour nuisance to be created as a result of the construction, operation, or alteration of the facility, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

41. The Licencee shall manage the handling, storage and treatment of waste oil at the facility, such that ambient air contaminants at any point of impingement beyond the boundaries of the facility, do not exceed the following concentrations:
42. The Licencee shall submit for the Director’s approval, a management plan for air emissions from the tank farm. This plan shall be submitted to the Director within 60 days of the issuance of this Licence.

43. The Licencee shall operate the tank farm at the waste oil re-refinery in accordance with the management plan approved by the Director pursuant to Clause 42 of this Licence.

Respecting Solid Wastes

44. The Licencee shall manage all solid wastes generated at the facility, that are to be disposed of off-site, in a manner approved in writing by the Director.

Respecting Wastewater Emissions

45. The Licencee shall not discharge wastewater beyond the boundaries of the facility unless written approval for discharge is received from the Director.

46. The Licencee shall not discharge any wastewater to the large retention ponds to the north of the facility.

47. The Licencee shall direct all wastewater generated as a result of any activity at the facility, to a sump or sumps properly designed to contain such liquids.

48. The Licencee shall manage all liquids collected in sumps in a manner approved in writing by the Director.
49. The Licencee shall direct all sanitary wastes to a holding tank(s) pursuant to Manitoba Regulation 83/2003 respecting Onsite Wastewater Management Systems.

**Respecting Monitoring**

50. The Licencee shall, within 60 days of the issuance of this licence, provide for the approval of the Director, a monitoring programme for the air contaminants listed in Clause 41 of this licence.

51. The Licencee shall implement and maintain the monitoring programme approved pursuant to Clause 50 of this Licence.

**Respecting Training**

52. The Licencee shall train all persons at the facility who will be assigned duties with respect to:
   a) Transportation of Dangerous Goods Regulations; and
   b) procedures pertaining to the operation of the facility.

**Respecting Spills**

53. The Licencee shall immediately report all spills of used oil in excess of 5 litres at the facility to the 24 hour emergency response line at Manitoba Conservation at (204) 944-4888. A written report concerning the spill and the actions taken shall be forwarded to the Winkler office of Manitoba Conservation, within 7 days of the occurrence of the spill.

54. The Licencee shall equip the facility with spill cleanup equipment and supplies.

55. The Licencee shall, in the event of an Environmental Accident as defined in The Dangerous Goods Handling and Transportation Act and Regulations thereunder, take all necessary actions to contain the spill, manage the impacted environment and to restore the environment to the satisfaction of the Director.

56. The Licencee shall, at least 30 days prior to operation of the facility, post a Permit Bond issued by a security company licenced to carry out business in Manitoba, an irrevocable letter of credit, or other security with Manitoba Conservation, to the satisfaction of the Director, in the amount of $20,000.00. This security, and renewals thereof, shall remain in place at all times during the operation and decommissioning of the facility. The Director may order forfeiture of the security, either in whole or in part, by giving written notice to that effect to the Licencee upon the Director being satisfied that the facility is in breach of any term of this Licence, 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 Insurance Requirement

57. The Licencee shall purchase and maintain Comprehensive General Liability Insurance with a minimum limit of $2.0 million per occurrence providing coverage for the facility and all operations of the Licencee at the facility, including completed operations. The terms and conditions of coverage shall be satisfactory to the Director, and without limitations shall include coverage for bodily injury (including death), personal injury and accidental property damage, blanket contractual broad form property damage, and non-owned automobile coverages.

58. The Licencee shall purchase and maintain Automobile Liability Insurance for all owned and non-owned licenced vehicles used in connection with the operation of the facility and which provides coverage against liability arising from third party bodily injury or property damage for a minimum of $5.0 million per occurrence with terms and conditions satisfactory to the Director. If the automobile liability policy excludes coverage for sudden and accidental pollution, this coverage shall be provided under the Environmental Impairment Liability Policy or the Comprehensive General Liability Policy.

59. The Licencee shall purchase and maintain Environmental Impairment Liability Insurance providing coverage for the Licencee's On and Off-site operations associated with the facility. The minimum limits shall be $3.0 million for gradual pollution and $5.0 million for sudden and accidental pollution, with a minimum annual aggregate of $5.0 million. Terms and conditions of coverage shall be satisfactory to the Director. Environmental impairment resulting from the loading and unloading of licenced vehicles shall be covered under the Environmental Impairment Liability Policy or under the Comprehensive General Liability Policy on a sudden and accidental basis; or via a specific endorsement on the automobile liability policy.

60. The Licencee shall maintain Workers' Compensation Insurance coverage for all employees of the Licencee.

61. The Licencee shall provide satisfactory written evidence of the insurance coverages described in Clauses 57, 58, 59 and 60 of this Licence, to the Director on an annual basis.

Respecting Alterations and Decommissioning

62. The Licencee shall obtain approval in writing from the Director for any proposed alteration to the facility that may have an affect on the environment, before proceeding with the alteration.

63. The Licencee shall, at the request of the Director, in the event that the facility is permanently closed, conduct an investigation in accordance with "Manitoba Conservation's Guideline for Environmental Site Investigations in Manitoba" (March 1998) to identify any contamination which may have resulted from the operation of the facility.
64. The Licencee shall, where the investigation referred to in Clause 63 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.

**Respecting Emergency Response**

65. The Licencee shall provide to the Director, at least 30 days prior to operation of the facility, a current contingency plan consistent with Manitoba Industrial Accidents Council (MIAC) Industrial Emergency Response Planning Guide, outlining procedures to be used in the event of a leak, spill, fire or other hazardous condition at the facility.

**Respecting Facility Security**

66. The Licencee shall either be covered by the Miller Environmental Corporation security system or install a separate fully operational security system, approved by the Director, within 60 days of the completion of construction, or by a date as determined by the Director.

**Respecting Record Keeping**

67. The Licencee shall keep a log of volumes of waste oil processed and the resultant volumes of diesel generated.

68. The Licencee shall keep a log of volumes of residual tar/coking product generated.

69. The Licencee shall maintain, on a daily basis, written records and any amendments, revisions or modifications to these records reflecting the operation of the facility. These records shall be kept available for inspection by an Environment Officer.

**Respecting Annual Reporting**

70. The Licencee shall, on or before the 15th day of April of each year and beginning in 2010, submit to the Director an annual report with respect to all activities at the facility conducted pursuant to this Licence during the previous calendar year. The format and content of the report shall be approved by the Director and contain, as a minimum, the following information.
   a) the amount of waste oil received;
   b) the amount of diesel product produced from the waste oil and the amount and type of all residuals generated;
   c) all calibration and equipment maintenance records; and
   d) summary reports and details of all incidents that required implementation of the contingency plan.
Respecting Decommissioning

71. The Licencee shall within one (1) year of the date of issuance of this Licence submit a Preliminary Decommissioning Plan for the facility for the approval of the Director.

72. The Licencee shall one year in advance of the projected date for commencing the decommissioning of the facility or when it becomes evident that the closure of the facility is imminent, submit a detailed Closure Plan outlining the measures proposed to address environmental and health issues which might arise in the course of, and subsequent to, the decommissioning of the facility, for the approval of the Director. The approved Closure Plan shall be implemented in accordance with a time frame satisfactory to the Director.

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 Licence, the Director may, temporarily or permanently, revoke this Licence.

B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new Application pursuant to The Dangerous Goods Handling and Transportation Act.

C. If the Licencee has not commenced construction within three years of the date of this Licence, this Licence is revoked.

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

Client File No.: 5405.00
C ons ignor Registration N.  MB G 12104
Consignee Registration No.  MB R 30074