IN ACCORDANCE WITH THE MANITOBA ENVIRONMENT ACT (C.C.S.M. c. E125)
THIS LICENCE IS ISSUED PURSUANT TO SECTION 11(1) TO:

SHELL CANADA LIMITED; "the Licencee"

for the construction and operation of the Development being a Soils Recycling Facility
located at the property described as 250 Panet Road, in the City of Winnipeg, Manitoba in
accordance with the proposal filed under The Environment Act on July 16, 1991 and
resubmitted in January, 1994 and subsequent information provided on June 23, 1999 and
subject to the following specifications, limits, terms, and conditions:

DEFINITIONS

"accredited laboratory" means any facility accredited by the Standard Council of
Canada (SCC); or facilities accredited by another accrediting agency recognized by
Manitoba Conservation to be equivalent to the SCC; or any facility able to demonstrate to
Manitoba Conservation, upon request, that it has the quality assurance/quality control
(QA/QC) procedures in place equivalent to accreditation based on the Canadian Standard
Can/CSA-Z753, extension of the international standard ISO 9000, Guide 25;

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

"approved" means approved in writing;

"BTEX" means the following components of gasoline and other specific petroleum
products:

B = Benzene;
T = Toluene;
E = Ethyl benzene; and
X = Xylene;

"Director" means an employee of the Department who has been appointed by the
Minister;

"noise nuisance" means a continuous or repeated noise 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 noise

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 noise 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 unwanted odour, smell of 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;

"operator" means the company or person who is responsible for the day-to-day maintenance and operation of the Development;

"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; and

"Standard Methods for the Examination of Water and Wastewater" means the most recent 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 Environment Federation.

**GENERAL SPECIFICATIONS**

1. The Licencsee, at all times, shall ensure that a high standard of equipment maintenance and good housekeeping and operational practices are carried out with respect to the Development.

2. The Licencsee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.
3. The Licensor shall construct a fence around the perimeter of the Development, to a minimum height of 8 feet, to restrict access to unauthorized personnel. This fence shall have a locking gate, which shall remain locked at all times other than to allow access to the Development by authorized personnel.

4. The Licensor shall keep the Development free of accumulations of refuse, rubbish, and other unsightly accumulations, including, but not limited to, abandoned, disabled, inoperative or dilapidated vehicles, machinery or equipment of any kind, and noxious weeds.

5. The Licensor 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 the methods prescribed in the most current edition of "Standard Methods for the Examination of Water and Wastewater", or in accordance with an equivalent sampling and analytical methodologies approved by the Director;
   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) ensure that all analytical determinations are undertaken by an accredited laboratory; and
   d) report the results to the Director within 60 days of the samples being taken.

**LIMITS, TERMS, AND CONDITIONS**

6. The Licensor shall only convey, deposit or treat soils contaminated with petroleum hydrocarbons at the Development unless otherwise approved by the Director.

7. The Licensor shall not emit particulate matter from the Development such that particulate matter:
   a) exhibits a visible plume with an opacity of greater than 5 percent at any point beyond the property line of the Development; or
   b) results in the deposition of visible particulate residue at any time beyond the property line of the Development.

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

9. The Licensor shall prevent, by means of dyking, or other method(s) approved by the Director, the migration of surface water onto or out of the Development. Any surface waters retained at the Development shall be collected in the Retention Pond and analyzed for the following parameters, or others as approved by the Director, prior to discharge from the Retention Pond:
   a) BTEX;
   b) naphthalene;
   c) benzo(a)pyrene;
   d) total extractable hydrocarbons;
   e) total volatile hydrocarbons; and
   f) lead.
10. The Licencsee shall only discharge water from the Retention Pond:
   a) to the adjacent Shell Winnipeg Marketing Terminal oil-water separator
      treatment system; and
   b) after obtaining approval from the Director for the discharge.

11. The Licencsee shall submit, within ninety (90) days of the issuance of this Licence,
    an emergency response contingency plan to be approved by the Director. This plan
    shall be based on the Manitoba Industrial Accidents Council Industrial Emergency
    Response Planning Guide.

12. The Licencsee shall maintain, at the operator’s office, records of all soils received at
    the Development. These records shall contain, but not be limited to the following:
    a) the date soils were received at the Development;
    b) the original location of the soils;
    c) the volume received, either estimated or actual;
    d) preliminary analyses of the soils e.g. head space results or field composite
       results;
    e) results of laboratory analyses of the soils;
    f) the frequency of sampling, area of sampling and the depth the sample was
       taken from within the Development; and
    g) the location within the Development of the soil for treatment.

13. The Licencsee shall maintain, at the operator’s office, records of all soils removed
    from the Development. These records shall contain, but not be limited to the
    following:
    a) the date the soils were removed;
    b) the volume of soils removed;
    c) the final end use destination of the soils removed;
    d) the results of analyses to determine the concentrations of the individual
       BTEX components, benzo(a)pyrene, anthracene, the total petroleum
       hydrocarbons (TPH), the total volatile hydrocarbons (TVH), the total
       extractable hydrocarbons (TEH), and leachable lead components of the soils
       removed; and
    e) any additional information as requested by the Director.

14. The Licencsee shall ensure that the records referred to in Clauses 12 and 13 of this
    Licence are available for inspection by an Environment Officer upon request and
    that a report summarizing the activities at the Development is provided annually to
    the Director.

15. The Licencsee shall, within 30 days of the date of this Licence, post a permit bond
    issued by a surety company licenced to carry on business in Manitoba, irrevocable
    letter of credit, or other security with the Manitoba Department of Conservation, to
    the satisfaction of the Director, in the amount of $50,000. This security and
    renewals thereof shall remain in place for the duration of the Development. The
    Director may order forfeiture of the security, either in whole or in part, by giving
    written notice to that effect to the Licencsee, upon the Director being satisfied that
    the Licencsee is in breach of any term of this Licence, or for reimbursement of any
    costs or expenses incurred by the Province in rectifying environmental damage
    caused or contributed to by the Development.
16. The Licencee shall not cause or permit an odour nuisance to be created as a result of the operation of the Development, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

17. The Licencee shall when requested by the Director, ensure that, at the property line, ground level concentrations of any of the following pollutants are not in excess of the following limits for the measurement criteria as determined from any ambient air sample or samples collected and analyzed in accordance with procedures and methods satisfactory to the Director, and corrected to a reference temperature of 25 degrees Celsius and a reference pressure of 101.3 kilopascals (760 millimetres of mercury).

<table>
<thead>
<tr>
<th>Air Pollutant</th>
<th>Measurement Criteria</th>
<th>Ground Level Concentration Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benzene</td>
<td>24 hour average</td>
<td>150 micrograms per cubic metre of air</td>
</tr>
<tr>
<td>Toluene</td>
<td>24 hour average</td>
<td>2000 micrograms per cubic metre of air</td>
</tr>
<tr>
<td>Ethyl Benzene</td>
<td>24 hour average</td>
<td>4000 micrograms per cubic metre of air</td>
</tr>
<tr>
<td>Xylenes</td>
<td>24 hour average</td>
<td>2300 micrograms per cubic metre of air</td>
</tr>
</tbody>
</table>

18. The Licencee shall, at such times, for such duration, for such pollutants and at such locations as may be requested by the Director:
   a) arrange to have a qualified person(s) undertake source tests and/or special studies to determine the ambient air quality beyond the property line of the Development, in a manner satisfactory to the Director, and including an interpretation of the results relative to limits of Clause 17 of this Licence; and
   b) submit a report on the test results and all related data, including the interpretation, to the Director within 90 days after completion of the test(s)/study(ies).

19. The Licencee shall provide the Director with a plan, in writing, outlining the method and procedures to be initiated at the decommissioning of the Development. This plan shall be submitted to the Director for approval within 6 months of the date of this Licence and shall include but not be limited to the following:
   a) soil and ground water analysis for petroleum products or by-products, including diesel fuel;
   b) removal of all ancillary equipment associated with the Development; and
   c) restoration of the site to the satisfaction of the Director.

20. The Licencee shall ensure that the plan referred to in Clause 19 of this Licence is appropriate for the Development considering the addition of the retention pond.

21. The Licencee shall ensure that a final plan outlining the decommissioning of the Development is submitted to the Director for approval within six months of the closure of the Development.

22. The Licencee shall implement the final plan for the decommissioning of the Development as approved by the Director.
23. The Licencee shall provide the Director with the results of chemical analysis of soil and ground water monitoring prior to the construction of the Development. These programs and analyses shall be approved by the Director prior to construction.

24. The Licencee shall submit to the Director site specific drawings and/or blue prints for approval prior to construction.

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 proposal pursuant to Section 11 of The Environment Act.

C. This Licence replaces Environment Act Licence No. 1848 which is hereby rescinded.

Larry Strachan, P. Eng.
Director
Environment Act

Client File No.: 3357.00