January 23, 2014

David M. Phillips
Imperial Oil Limited
240 Fourth Avenue S.W.
P.O. Box 2480, Station ‘M’
Calgary, AB  T2P 3M9

Dear Mr. Phillips:


In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Yvonne Hawryliuk, Environment Officer at 204-945-5305.

Pursuant to Section 27 of **The Environment Act**, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation and Water Stewardship within 30 days of the date of the Licence.

Yours truly,

“original signed by”
Tracey Braun, M.Sc.
Director
Environment Act

c: Don Labossiere, Director, Environmental Compliance and Enforcement
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 3088 **(by the Licencee only)** is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by February 6, 2014.

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
In accordance with The Environment Act (C.C.S.M. c. E125) / Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 10(1) / Conformément au Paragraphe 10(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

IMPERIAL OIL LIMITED; "the Licencee"

for the operation of the Development being a bulk petroleum storage facility at 2925 Henderson Highway in the Rural Municipality of East St. Paul, in accordance with the Proposal filed under The Environment Act dated April 29, 2009 and the Notice of Alteration dated May 30, 2011 and subsequent information provided December 9, 2013 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 Development;

"approved" means approved by the Director or assigned Environment Officer in writing;

"contaminated stormwater" means stormwater that contains any of the parameters listed in Clause 27 of this Licence in concentrations and/or values that exceed the Manitoba Water Quality Standards, Objectives, and Guidelines Regulation under The Water Protection Act;

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
"Director" means an employee so designated pursuant to The Environment Act;

"MSDS" means material safety data sheets;

"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 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;

"pollutant" means a pollutant as defined in The Environment Act;
"secondary containment area" means an area designed and constructed to contain any liquids, including petroleum products, stormwater, and firewater, and prevent the release of pollutants beyond the contained area;

"sewage" means household and commercial wastewater that contains human waste;

"solid waste" means solid waste as defined in Manitoba Regulation 150/91, or any future amendments thereto, respecting waste disposal grounds;

"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;

"stormwater" means liquid that accumulates within the secondary containment area at the Development due to surface runoff from rain, snow and/or other atmospheric precipitation;

"waste disposal ground" means an area of land designated by a person, municipality, provincial government agency, or crown corporation for the disposal of waste and approved for use in accordance with Manitoba Regulation 150/91, or any future amendments thereto, or a Licence issued pursuant to The Environment Act; and

"WHMIS" means Workplace Hazardous Materials Information System.

GENERAL TERMS AND CONDITIONS

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.

Future Sampling

1. In addition to any of the limits, terms and conditions specified in this Licence, the Licencee shall, upon the request of the Director:
   a) sample, monitor, analyze or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants, ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, and for such duration and at such frequencies as may be specified;
   b) determine the environmental impact associated with the release of any pollutant(s) from the Development; 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.

**Sampling Methods**

2. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all preservations and analyses on liquid samples 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 equivalent preservation and analytical methodologies approved by the Director;
   b) carry out all sampling of, and preservation and analyses on, soil and air samples in accordance with methodologies approved by the Director;
   c) have all analytical determinations undertaken by an accredited laboratory; and
   d) report the results to the Director, in writing and in an electronic format acceptable to the Director, within 60 days of the samples being taken.

**Reporting Format**

3. The Licencee shall submit all information required to be provided to the Director or Environment Officer under this Licence, in writing, in such form (including number of copies) and of such content as may be specified by the Director or Environment Officer, and each submission shall be clearly labeled with the Licence Number and Client File Number associated with this Licence.

**Equipment Breakdown**

4. The Licencee shall, in the case of physical or mechanical equipment breakdown or process upset where such breakdown or process upset results or may result in the release of a pollutant in an amount or concentration, or at a level or rate of release, that causes or may cause a significant adverse effect, immediately report the event by calling 204-944-4888 (toll-free 1-855-944-4888). The report shall indicate the nature of the event, the time and estimated duration of the event and the reason for the event.

5. The Licencee shall, following the reporting of an event pursuant to Clause 4:
   a) identify the repairs required to the mechanical equipment;
   b) undertake all repairs to minimize unauthorized discharges of a pollutant;
   c) complete the repairs in accordance with any written instructions of the Director; and
   d) submit a report to the Director about the causes of breakdown and measures taken, within one week of the repairs being done.
Approvals and Permits

6. The Licencee shall obtain all necessary federal, provincial and/or municipal licences, authorizations, permits and/or approvals for construction of relevant components of the Development prior to commencement of any construction.

Safety and Security

7. The Licencee shall continually maintain an up-to-date inventory of any process and cleaning chemicals used and/or stored on-site that would be captured by any applicable federal/provincial WHMIS regulations and protocols, and make this information and applicable MSDS sheets available to an Environment Officer upon request.

8. The Licencee shall prepare and maintain an emergency response contingency plan in accordance with the Canadian Centre for Occupational Health and Safety “Emergency Response Planning Guide” or other emergency planning guidelines acceptable to the Director.

9. The Licencee shall, at all times during the operation of the Development, implement a high standard of equipment maintenance and operational practices.

10. The Licencee shall implement and continually maintain in current status, an Environmental Management System (EMS) for the Development which is acceptable to the Director.

Environmental Coordinator

11. The Licencee shall designate an employee, within 60 days of the date of issuance of this Licence, as the Licencee’s Environmental Coordinator, whose job description will include assisting the Licencee in complying with the limits, terms and conditions in this Licence and assisting Senior Management of the Licencee to manage environmental issues at the Development. The name of the Environmental Coordinator shall be submitted in writing to the Director within 14 days of appointment.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Operation and Stormwater Management

12. The Licencee shall contain all stormwater collected in the secondary containment area and shall direct all stormwater towards the primary clarifier at the Development.
13. The Licencee shall operate the primary clarifier as an oil water separator and shall only direct storm water collected in the secondary containment area to the oil water separator prior to release into the storm water retention pond.

14. The Licencee shall not discharge petroleum products and/or contaminated stormwater into the stormwater management system.

15. The Licencee shall dispose of contaminated stormwater only in a manner as approved by the Director.

16. The Licencee shall maintain a log of all spills that occur within the secondary containment area. The log shall include, but not be limited to, the date and time of the spill, substances involved, estimated volumes spilled, and the containment and clean up actions taken. This incident log shall be updated within 24 hours of all incidents.

17. The Licencee shall not discharge any stormwater from the stormwater containment pond at the Development:
   a) where the pH of the effluent is less than 6.5 or greater than 9.0;
   b) that is acutely lethal to *daphnia magna*, as determined by means of a 48-hour exposure period which results in mortality to more than 50 percent of the test *daphnia magna* exposed to undiluted discharge water, with the test carried out in accordance with the most recent edition of Environment Canada, Environmental Protection Service test method EPS 1/RM11, “Biological Test Method: Acute Lethality Test Using Daphnia spp.” and with the acute lethality measured according to the most recent edition of Environment Canada, Environmental Protection Service Test Method EPS 1/RM/14, “Reference Method for Determining the Acute Lethality of Effluent to Daphnia magna”;
   c) that has a total suspended solids concentration in excess of 25 milligrams per litre for any grab sample;
   d) that has a visible sheen;
   e) that has an oil and grease concentration in excess of 15 mg/l;
   f) that has a total phenols concentration in excess of 0.004 mg/L; or
   g) that has an iron concentration in excess of 0.3 mg/L.

**Sewage Management**

18. The Licencee shall discharge all sewage from the Development only to the Rural Municipality of East St. Paul Sewage Collection System.

19. The Licencee shall not direct any spillage, contaminated run-off or pollutant, other than sewage, to the sewage collection system.
Solid Waste Management

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

21. The Licencee shall remove all non-recyclable solid waste resulting from demolition, upgrading and general operational activities at the development as soon as practical, and deposit such solid waste into a waste disposal ground operating under the authority of:
   a) a permit issued pursuant to the Manitoba Waste Disposal Grounds Regulation 150/91, or any future amendment thereto; or
   b) an Environment Act Licence issued pursuant to The Environment Act.

22. The Licencee shall not deposit bulky metallic wastes, used tires, used oil or other fluid lubricants, hydraulic fluids, and any other class of recyclable waste substances as may be specified by the Director, into the environment except to:
   a) a facility or infrastructure which accepts such materials for recycling; or
   b) a waste disposal ground where these recyclable substances are kept distinctly segregated from each other and are not buried, unless otherwise specified by the Director, so as to readily facilitate their recycling.

Dangerous Goods or Hazardous Waste

23. The Licencee shall not release dangerous goods or hazardous wastes into the sewage collection system.

24. The Licencee shall comply with all the applicable requirements of:
   a) the Manitoba Dangerous Goods Handling and Transportation Act, and regulations issued thereunder, respecting the handling, transport, storage and disposal of any dangerous goods brought onto or generated at the Development; and
   b) Manitoba Storage and Handling of Petroleum Products and Allied Products Regulation 188/2001, or any future amendments thereto.

25. The Licencee shall collect, transport and store used oil or hydraulic fluids removed from on-site machinery in secure, properly labeled, non-leaking containers and shall regularly send them to a recycling or disposal facility approved to accept hazardous wastes.

26. The Licencee shall install and maintain spill recovery equipment at the Development at all times.
Monitoring Requirements

27. The Licencee shall, prior to discharge from the Development, sample and analyze the liquid within the stormwater retention pond for:
   a) pH;
   b) total suspended solids;
   c) oil and grease;
   d) phenols;
   e) lead;
   f) iron;
   g) zinc; and
   any other compound as directed by the Director.

Air Emissions

28. The Licencee shall not cause or permit an odour 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 an odour nuisance.

29. The Licencee 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.

Financial Assurance

30. The Licencee shall post with the Manitoba Department of Conservation and Water Stewardship in the amount of $200,000 Cdn:
   a) a permit bond issued by a surety company licenced to do business in the Province of Manitoba;
   b) an irrevocable letter of credit; or
   c) another acceptable security satisfactory to the Director.

   This permit bond, irrevocable letter of credit, or other security and renewals thereof shall remain in place for the duration of the operation and decommissioning of the facility. The Director may order forfeiture of the permit bond, irrevocable letter of credit, or other security, either in whole or in part, by giving written notice to that effect to the Licencee, upon the Director confirming that the Licencee is in breach of any specification, limit, term or condition 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.

31. The Licencee shall, on an annual basis, provide evidence of environmental liability insurance that meets Manitoba Conservation and Water Stewardship’s minimum
requirement of $5,000,000 of insurance coverage for the Development and includes the following:
   a) coverage for gradual as well as sudden and accidental pollution at the Development; and
   b) coverage for on-site and off-site clean up costs.

32. The insurance as required by Clause 31 of this Licence shall be held with insurers satisfactory to the Province of Manitoba, shall include the Province of Manitoba as an Additional Insured on the policy, and shall contain a clause stating that the Insurer will give Manitoba 60 days prior written notice in case of significant reduction in coverage or policy cancellation.

Site Decommissioning

33. The Licencee shall submit within one (1) year prior to closure of the facility, for the approval of the Director, a formal detailed Decommissioning Plan for the facility.

34. The Licencee shall implement, on closure of the facility, the approved Decommissioning Plan.

REVIEW AND REVOCATION

A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has 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 10 of The Environment Act.

“original signed by”

Tracey Braun, M.Sc.
Director
Environment Act

Client File No.: 5531.00