



Conservation

Climate Change and Environmental Protection Division
Environmental Assessment and Licensing Branch
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www.gov.mb.ca/conservation/eval

CLIENT FILE NO.: 5450.00

August 11, 2010

Adrian Neumann, P. Eng.,
EOG Resources Canada Inc.
1300, 700 – 9th Avenue SW
Calgary AB T2P 3V4

Dear Mr. Neumann:

Enclosed is **Environment Act Licence No. 2930** dated August 11, 2010 issued in accordance with The Environment Act to **EOG Resources Canada Inc.** for the construction and operation of the Development being approximately 104 km of 219.1 mm diameter pipeline from the existing EOG Waskada Battery in 21-01-25 WPM to the existing Tundra facility in 16-09-28 WPM, traversing the Rural Municipalities of Pipestone, Albert, Arthur, and Brenda, in accordance with the Proposal filed under The Environment Act dated February 11, 2010.

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.

For further information on the administration and application of the Licence, please feel free to contact Elise Dagdick, Environment Officer at (204) 945-8173.

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 within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.

c: Don Labossiere, Director, Environmental Operations
Kelly Scott, Kelly Wm. Scott & Associates
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2930 (*by the Licensee only*) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by August 25, 2010.

On behalf of EOG Resources Canada Inc.

Date

****A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

LICENCE

Licence No. / Licence n° 2930

Issue Date / Date de délivrance August 11, 2010

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 / Conformément au Paragraphe

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

EOG Resources Canada Inc.: "the Licencee"

for the construction and operation of the Development being approximately 104 km of 219.1 mm diameter pipeline from the existing EOG Waskada Battery in 21-01-25 WPM to the existing Tundra facility in 16-09-28 WPM, traversing the Rural Municipalities of Pipestone, Albert, Arthur, and Brenda, in accordance with the Proposal filed under The Environment Act dated February 11, 2010, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

“**native habitat**” means grasses, wildflowers, shrubs, trees, and other vegetation that occur naturally and support fauna indigenous to the area;

“**waterbody**” means any body of flowing or standing water, whether naturally or artificially created, and whether the flow or presence of water is continuous, intermittent or occurs only during a flood, including but not limited to a lake, river, creek, stream, slough, marsh, swamp and wetland, including ice on any of them; and

“**wetlands**” means those areas where the water table is at or above the land surface for a long enough period each year to make the area capable of supporting aquatic or hydrophilic vegetation, and which have soils with characteristics indicative of wet conditions.

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

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a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

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 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.
2. The Licencee shall submit all information required to be provided to the Director under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director.
3. The Licencee shall establish any fuel storage areas required for the construction and operation of the Development, and refuel and service vehicles, a minimum distance of 100 metres from any waterbody.
4. The Licencee shall, at all times during the construction of the Development, have available at the construction sites, materials to contain and recover spills of fuel and other fluids associated with construction machinery.
5. The Licencee shall, during construction and operation of the Development:
 - a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting Line at (204) 944-4888 pursuant to **Manitoba Regulation 439/87**, respecting **Environmental Accident Reporting**, or any future amendment thereof;
 - b) contact the Petroleum Branch of Manitoba Innovation, Energy and Mines in the event of a spill at (204) 748-4260 pursuant to **Manitoba Regulation 111/94**, respecting **Drilling and Production**, or any future amendment thereof; and
 - c) provide a follow-up report to the Director on any reportable environmental accidents outlining the cause(s) and proposed corrective actions to prevent recurrence.
6. The Licencee shall, during construction, maintenance, and restoration of the Development, implement all necessary measures to prevent the erosion of soil into any waterbodies. Construction adjacent to waterbodies shall not occur during high rainfall events.

7. The Licencee shall, during construction and maintenance of the Development, minimize disturbance to vegetation in wetlands and in riparian zones adjacent to waterways.
8. The Licencee shall, during construction and maintenance of the Development, minimize disturbance to vegetation in native habitats.
9. The Licencee shall ensure that an Environmental Inspector, on a daily basis throughout construction and restoration of the Development, monitor the work activity to ensure that all the environmental practices outlined in the Proposal are carried out.
10. The Licencee shall:
 - a) prepare "As Constructed" drawings for the Development and shall label the drawings "As Constructed"; and
 - b) provide to the Director, within six months of the completion of construction of the Development, two sets of "As Constructed" drawings.
11. The Licencee shall construct and operate the Development in accordance with appropriate standards of the Canadian Standards Association.
12. The Licencee shall maintain a valid construction permit during construction of the Development and a valid operational permit during operation of the Development, issued by the Minister of Manitoba Innovation, Energy and Mines.

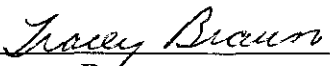
SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

13. The Licencee shall notify the assigned Environment Officer of Manitoba Conservation, not less than one week prior to beginning construction of the Development. The notification shall include the intended starting date of construction and the name and telephone number of the contractor responsible for the construction.
14. The Licencee shall, prior to construction start-up, instruct the on-site project construction supervisor to ensure that only land required for the right-of-way of the Development, including designated and landowner approved access locations to the right-of-way, will be affected by clearing, compacting, grading or filling during construction. All construction related traffic shall be restricted to the right-of-way and approved access locations.
15. The Licencee shall, prior to construction of the Development, conduct the soil, weed, vegetation, and wildlife surveys and heritage resource assessment outlined in the Proposal and submit a report(s) on these studies for approval of the Director. The report(s) shall include an assessment of the results of the studies and specify the appropriate mitigation measures to be applied.

16. The Licencee shall construct waterway crossings on waterways by augering, tunneling, or boring and in accordance with the Department of Fisheries and Oceans Canada Operational Statement on High Pressure Directional Drilling.
17. The Licencee shall auger, tunnel, or bore beneath the wetland located in W ½ of 31-2-25W or provide a mitigation and compensation plan to the Director, for approval of any other type of crossing of this wetland.
18. The Licencee shall not undertake construction of the Development in wetlands and in riparian zones adjacent to waterways between April 1 and June 15 in any year.
19. The Licencee shall not undertake construction of the Development in native habitat between April 1 and July 15 in any year.
20. The Licencee shall, during construction and maintenance of the Development, separate and replace topsoil and subsoil from backhoe and trenching operations in accordance with the methodology described in Appendix 6A of the Proposal.
21. The Licencee shall contact Manitoba Water Stewardship to obtain criteria for the discharge of hydrostatic test water. Hydrostatic test water shall be discharged according to these criteria.
22. The Licencee shall, during construction and maintenance of the Development, compact all excavated areas and re-establish the pre-existing profile. Follow-up grading shall be conducted in areas affected by settling after construction.
23. The Licencee shall, immediately upon completion of construction and maintenance of the Development, where native habitat existed prior to the disturbance, re-vegetate areas exposed during the construction to pre-existing conditions with locally produced native seed mixes. Follow-up monitoring, re-seeding, maintenance, and weed control shall be conducted until disturbed areas are re-vegetated to the satisfaction of Manitoba Conservation.
24. The Licencee shall, prior to construction of the Development, meet with Manitoba Conservation to discuss in-kind mitigation of impacts to wildlife habitat to compensate for the unavoidable degradation of native habitat along the pipeline right-of-way.
25. The Licencee shall actively participate in any native habitat studies or programs conducted in the area of the right-of-way, that are required or approved by the Director.
26. The Licencee shall, in accordance with Clause 23 of this Licence, file a copy of a post construction environmental monitoring report with the Director, prior to January 31st of each year following construction of the Development, until the Director deems the reclamation is satisfactory. The report shall outline the results of the reclamation of native plant species along the right-of-way.

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



Tracey Braun
Director
Environment Act

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