



Conservation and Water Stewardship

Climate Change and Environmental Protection Division
Environmental Approvals Branch
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www.gov.mb.ca/conservation/eal

CLIENT FILE NO.: 5635.00

October 22, 2013

Kevin Marshall, P.Eng.
EOG Resources Canada Inc.
1300, 700-9th Ave SW
Calgary, AB T2P 3V4

Dear Mr. Marshall:

Enclosed is **Environment Act Licence No. 3076** dated October 22, 2013 issued to **EOG Resources Canada Inc.** for the construction and operation of the Development being a 168.3 mm sweet natural gas pipeline in the R.M. of Edward from the existing EOG oil battery in 4-1-02-28 W1M to a proposed Many Islands Pipe Lines (Canada) Limited (MIPL) facility in 5-6-3-29 W1M, in accordance with the Proposal filed under *The Environment Act* dated February 22, 2013, supporting information filed in association with the Proposal dated July 19, 2013.

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 Tim Prawdzik, Environment Officer @ 204-622-2123.

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

Enc.

c: Don Labossiere, Director, Environmental Compliance and Enforcement
Kelly Wm. Scott, Kelly Wm. Scott & Associates (**via email**)
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 3076 (*by the Licensee only*) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and return copy (letter only) to the Department by November 4, 2013.

EOG Resources Canada Inc.

Date

Licence No. / Licence n° 3076
Issue Date / Date de délivrance October 22, 2013

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 11(1) / Conformément au Paragraphe 11(1)

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 a 168.3 mm sweet natural gas pipeline in the R.M. of Edward from the existing EOG oil battery in 4-1-02-28 W1M to a proposed Many Islands Pipe Lines (Canada) Limited (MIPL) facility in 5-6-3-29 W1M, in accordance with the Proposal filed under *The Environment Act* dated February 22, 2013, supporting information filed in association with the Proposal dated July 19, 2013, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

“**Director**” means an employee so designated pursuant to *The Environment Act*;

“**dry**” means hydraulically unconnected to downstream flowing water;

“**Environment Officer**” means an employee so designated pursuant to *The Environment Act*;

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

“**record drawings**” means engineering drawings complete with all dimensions which indicate all features of the pipeline as it has actually been built;

“**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 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. The Licencee shall, in addition to any of the following specifications, limits, terms and conditions specified in this Licence, upon the request of the Director:
 - a) sample, monitor, analyse or investigate specific areas of concern regarding any segment, component or aspect of the Development for such duration and at such frequencies as may be specified;
 - b) determine the environmental impact associated from the Development; and
 - c) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and other information as may from time to time be requested.

Approvals and Permits

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

Reporting Format

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

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Notification

4. The Licencee shall, not less than two weeks prior to beginning construction of the Development, provide notification to the Environment Officer responsible for the administration of this Licence of the intended start date of construction and the name of the contractor responsible for the construction.
5. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.
6. The Licencee shall, prior to construction, notify the on-site project construction supervisor that only land required for the right-of-way of the Development, including designated and landowner approved access locations to the right-of-way, shall 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.

Construction Standards

7. The Licencee shall construct and operate the Development in accordance with appropriate standards of the Canadian Standards Association.

Construction Supervision

8. The Licence shall have an Environmental Inspector monitor the work activity on a daily basis throughout construction and maintenance of the Development to ensure that all of the commitments made in the Proposal dated February 22, 2013 and supporting information dated July 19, 2013 are carried out.

Onsite Wastewater

9. The Licencee shall, during construction of the Development, dispose of all sewage and septage from on-site sanitary facilities in accordance with the *Onsite Wastewater Management Systems Regulation 83/2003*, or any future amendment thereof.

Petroleum Storage and Handling

10. The Licencee shall establish any fuel storage areas required for the construction and operation of the Development:
 - a) a minimum distance of 100 metres from any waterbody; and
 - b) in compliance with the requirements of the *Storage and Handling of Petroleum Products and Allied Products Regulation 188/2001*, or any future amendment thereof.

11. The Licencee shall, during construction and maintenance of the Development, operate, maintain, and store all materials and equipment in a manner that prevents any deleterious substances including fuel, oil, grease, hydraulic fluid, coolant, and other similar substances from entering any waterbody. An emergency spill kit for in-water use shall be readily available on site during construction.

Release of Pollutants

12. 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.
13. The Licencee shall, following the reporting of an event pursuant to Clause 12,
 - 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.
14. The Licencee shall consult with the Regional Fisheries Biologist of Conservation and Water Stewardship if an incident occurs that could impact a waterbody in connection with construction or maintenance of the Development.

Topsoil Stripping

15. The Licencee shall, during construction and maintenance of the Development, separate and replace topsoil in accordance with the methodology described Appendix 6A of the Proposal.
16. The Licencee shall, during construction and maintenance of the Development, minimize disturbance to native habitats. Topsoil stripping and trench widths shall be reduced in these areas.

Foreign Biota

17. The Licencee shall, during construction and maintenance of the Development, prevent the introduction and spread of foreign aquatic and terrestrial biota (e.g., weeds, non-native species) to surface waters and in native habitats and prevent the spread of invasive species to agricultural lands. To ensure this, all equipment used for the construction of the Development, including transport trucks and trailers, shall be

cleaned prior to moving between areas of differing vegetation types (e.g., cultivated land to pasture, to riparian, etc.).

Drainage

18. The Licencee shall not alter local drainage patterns, including inflows and outflows from small wetlands adjacent to the route of the pipeline, during construction associated with the Development.

Water Crossings

19. The Licencee shall, during construction and maintenance of the Development, adhere to the general recommendations on design, construction and maintenance of stream crossings as specified in the guidelines titled *Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, 1996*, and the current versions of applicable federal Department of Fisheries and Oceans Operational Statements.
20. The Licencee shall, during construction and maintenance of the Development, construct individual waterbody crossings in accordance with the proposed crossing methods identified in the supporting information to the Proposal dated July 19, 2013.
21. The Licencee shall, during construction and maintenance of the Development associated with waterbody crossings:
 - a) minimize disturbance to riparian areas;
 - b) implement erosion control measures within dry waterbodies to ensure sediment does not enter downstream waters in the event of rain;
 - c) re-contour the bed and banks of the waterbody to their original elevations and shapes;
 - d) stabilize the disturbed soils once the bed and banks are re-contoured; and
 - e) re-vegetate disturbed areas using a seed mix native to the area, or other effective methods, to prevent the establishment of invasive plant species.

Bird Nesting Habitat

22. The Licencee shall not undertake construction of the Development between May 1 and July 15 in any year in the vicinity of potential bird nesting habitat.

Hydrostatic Test Water

23. The Licencee shall contact the Water Stewardship Division of Conservation and Water Stewardship to obtain criteria for the withdrawal of water for hydrostatic testing and for the discharge of hydrostatic test water associated with the Development. Hydrostatic test water shall be withdrawn and discharged according to these criteria.

Restoration

24. The Licencee shall compact all excavated areas associated with the Development and re-establish the pre-existing profile. Follow-up grading shall be conducted in areas affected by settling after construction.
25. The Licencee shall, where native prairie habitat existed prior to construction or maintenance of the Development, retain a native prairie re-vegetation specialist to plan and oversee reclamation of these areas. Re-vegetation monitoring shall be conducted as directed by the native prairie re-vegetation specialist for a minimum of three complete growing seasons. Re-vegetation shall:
 - a) where conditions are ideal regarding topography, slope, moisture, time of year, and the condition of nearby prairie, allow for natural re-vegetation; or
 - b) where conditions are not ideal for natural recovery, re-vegetate areas exposed during the construction with native seed mixes approved by the Wildlife Branch.
26. The Licencee shall, in association with Clause 25 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 prairie along the right-of-way.
27. The Licencee shall carry out seeding or other means of reclaiming native prairie along the right-of-way of the Development until the Director deems the reclamation is satisfactory.

Record Drawings

28. The Licencee shall:
 - a) prepare “record drawings” for the Development and shall label the drawings “record drawings”; and
 - b) provide to the Director, within six months of the completion of construction of the Development, two sets of “record drawings” of the Development.

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*.

“original signed by”

Tracey Braun
Director
Environment Act

File No. 5635.00