

#### AGNICO-EAGLE MEADOWBANK

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May 8, 2009

Via email and Xpresspost

Mr. Richard Dwyer Licensing Administrator Nunavut Water Board PO Box 119 Gjoa Haven, NU X0B 1J0 Phone: (867) 360-6338

Dear Mr. Dwyer,

### Re: Meadowbank Water License 2AM-MEA0815: Bulk Fuel Storage Tank Construction Report

Water License 2AM-MEA0815, Part B, Item 1, states, 'This Licence incorporates two previously issued Type B licences, 8BC-TEH0809 for the All Weather Private Access Road and 8BC-MEA0709 for the Baker Lake Marshalling Facility. To the extent that any reports, studies and plans pursuant to the Type B licences are not yet received or approved by the Board, the requirement(s) becomes part of this Licence.'

In accordance with the above and as required by Type B License 8BC-TEH0809 Part E, Item 10, please find enclosed a copy of the document: *Meadowbank Fuel Storage Installations*: *Final Report Following the Construction*. Construction on the 5.6 m liters bulk fuel storage tank facility at the Meadowbank mine site was completed in January 2009.

Should you require any further information, please contact me directly at 819-759-3700 ext.814 or via email at <a href="mailto:stephane.robert@agnico-eagle.com">stephane.robert@agnico-eagle.com</a>.

Regards,

Stéphane Robert Environment Superintendent

Encl (1)



## AGNICO-EAGLE MINES LTD MEADOWBANK DIVISION

#### **MEADOWBANK FUEL STORAGE INSTALLATIONS**

## FINAL REPORT FOLLOWING THE CONSTRUCTION



## AGNICO-EAGLE MINES LTD MEADOWBANK DIVISION

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## FINAL REPORT FOLLOWING THE CONSTRUCTION

#### PREPARED BY:



**Patrick Giard**, P.Eng., CCE Supervisor, Construction Department AGNICO-EAGLE MINES LTD, *Meadowbank Division* 



## AGNICO-EAGLE MINES LTD MEADOWBANK DIVISION

#### MEADOWBANK FUEL STORAGE INSTALLATIONS

### FINAL REPORT FOLLOWING THE CONSTRUCTION

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SAFE FILL LEVEL FOR FUEL TANK 680-TK-042

#### **DESCRIPTION OF THE MANDATE**

Agnico-Eagle Mines has given a mandate to the undersigned in order to verify the compliance with applicable regulations of its fuel storage installations at the Meadowbank gold mining site, in Nunavut.

According to the terms of reference, the mandate consists summarily in the following activities.

- A. Review and compilation of the available documentation;
- B. Collection of any information that may be missing;
- C. Preparation of an AS BUILT version of the construction drawings;
- D. Verifications to the storage capacity within the containment berms in regards to the applicable regulations.

#### A. DOCUMENTATION READILY AVAILABLE

#### **HATCH** - Vancouver Office

Only one (1) layout drawing showing the berm enclosure was issued from Hatch. No detailed design or cross-sections of containment berms was available prior to the construction phase. The original design of the fuel containment area is shown on revision 0B of drawing 325174-600-C-0135, which was issued **for information**.

#### NISHI-KHON / SNC-LAVALIN LTD - Vancouver Office

This firm was responsible for issuing the piping layout drawings and P&ID's for the Baker Lake fuel storage installations, which is a similar project located 100 km further South. During the construction and installation of piping for the Meadowbank bulk fuel storage tank, the *Process and Instrumentation Diagram* issued for construction was not readily available to the pipefitters.

#### **GEM STEEL EDMONTON LTD**

This vendor has submitted a set of drawings issued **for review**, consisting in three (3) structural drawings showing the details of a fuel tank of 5.6 million liters nominal capacity. The original design of this fuel tank is shown on revision A0 of drawings BL-2008-80-1, BL-2008-80-2, and BL-2008-80-3.

#### **CHAMCO INDUSTRIES LTD**

This vendor has submitted a set of preliminary drawings issued **for approval**, consisting in twenty-five (25) documents showing details of a fuel dispensing module. These documents have been reviewed by HATCH, and bear the following identification, which has been assigned by HATCH Document Control.

DRAWING NUMBER	H325174-M268-VD-0040	H325174-M268-VD-0041	H325174-M268-VD-0010
H325174-M268-VD-0011	H325174-M268-VD-0012	H325174-M268-VD-0013	H325174-M268-VD-0014
H325174-M268-VD-0015	H325174-M268-VD-0016	H325174-M268-VD-0017	H325174-M268-VD-0019
H325174-M268-VD-0020	H325174-M268-VD-0021	H325174-M268-VD-0029	H325174-M268-VD-0030
H325174-M268-VD-0031	H325174-M268-VD-0032	H325174-M268-VD-0033	H325174-M268-VD-0034
H325174-M268-VD-0035	H325174-M268-VD-0036	H325174-M268-VD-0037	H325174-M268-VD-0039

#### B. ADDITIONAL COLLECTION OF INFORMATION

#### **HATCH** - Vancouver Office

Role during construction phase: Design & Field Supervision during construction of berms.

Mr. Marlon Coakley and Jim Bonia, both of which were HATCH employees at the time, have supervised the construction of the fuel containment area. They have also hired a specialized crew from Saskatoon (Enviroline Service inc.) in October 2008 to install the HDPE membrane covering the berms. This HDPE membrane has since been covered with a layer of about 100 mm thickness of crushed stone.

#### NISHI-KHON / SNC-LAVALIN LTD - Vancouver Office

Role during construction phase: So far, I have never communicated with these people.

A research of all files provided by HATCH Document Control has permitted to find **Revision 0** of drawing 017202-2000-46D6-2001 from SNC-LAVALIN.

This document was not readily available to the construction team at the time when the crew from Mosher Engineering Ltd were installing the piping and commissioning the fuel dispensing module.

#### AGNICO-EAGLE MINES LTD, Meadowbank Surveying Team

Role during construction phase: Surveying of quantities & grades for berms, HDPE liner.

A surveying crew from AEM has monitored the quantities of granular materials and required berm elevations, as well as the installation of the HDPE membrane and grounding wire around the fuel tank. All of this work was done with the same specifications which were observed during the construction of the berms around the AEM bulk fuel storage tanks, which are located in Baker Lake.

#### **GEM STEEL EDMONTON LTD**

Role during construction phase: Fabrication and field assembly of the 5.6 M liters tank

A crew of ten (10) workers has started the construction of fuel tank 680-TK-042 on August 25, 2008 and the field erection was completed over a period of 16 days. Following this field work, a crew from ACUREN has proceeded to X-RAY testing of horizontal and vertical welds according to specifications described in the latest edition of API Standard 650. According to the report made by ACUREN, no repairs of defective welds were required, either on the tank shell or nozzles.

#### MOSHER ENGINEERING LTD

Role during construction phase: Welding of pipelines and support brackets between the 5.6 M liters tank and the fuel dispensing module.

In early November 2008, a crew of two (2) workers has welded the pipelines and installed the flanged connections and gate valves between fuel tank 680-TK-042 and the fuel dispensing module manufactured by CHAMCO INDUSTRIES LTD.

They have also installed check valves on the 100 mm diameter inlet and outlet nozzles on this tank, as well as a pressure relief valve set at 75 psi to bypass the check valve on the pipeline between the tank outlet and the fuel dispensing module. The grade of material that was used for this pipeline was A333 cold temperature rated steel.

#### **CHAMCO INDUSTRIES LTD**

<u>Role during construction phase</u>: Manufacturing of the fuel dispensing module.

This fuel dispensing module was manufactured in the summer of 2007 and sent to the Meadowbank site. No representatives of CHAMCO were present during the commissioning. Possibly due to vibrations during transport, there were many flanged connections that needed tightening, and it was found that this was not a turn-key installation. The air eliminator unit on the fuel tanker unloading area leaked fuel extensively during operation, as it was often locked in open position.

#### C. REVISION OF CONSTRUCTION DRAWINGS

AEM has hired STAVIBEL Engineering Services, a firm based in Val-d'Or, in order to complete the drawings that were used in producing this report.

Those four (4) drawings are enclosed in **Appendix 1** of this report.

Drawing VD2259-MDB-001 shows the general layout of the fuel tank 680-TK-042 and containment area. It has been compiled using surveying data collected by a crew from AEM. It also shows the location of pipelines, fuel dispensing module, and some three (3) additional fuel tanks.

Drawing VD2259-MDB-002 shows the cross-sections on both sides of the containment area. These cross-sections are derived from surfaces that were generated using the *Autocad Civil 3D* software, and are also based on information collected from AEM Construction Supervisors. This drawing file was also used to verify containment volumes, as it is described further in section D.

Drawing VD2259-MDB-003 is an as-built version of Vendor drawing BL-2008-80-1 which has been updated to reflect nozzle orientations that were noted during a site visit. No changes were noted except those made to the nozzle schedule.

The enclosed **Revision 1** of drawing 017202-2000-46D6-2001 from SNC-LAVALIN is also an as-built drawing. It shows a few items from the proposed piping layout for the Meadowbank bulk fuel storage that have not yet been put in place. These missing items consists in three (3) pressure relief loops around gate valves, and a 300 US gallon floor sump, which was to be located inside the fuel dispensing module. This floor sump has not been supplied by CHAMCO INDUSTRIES LTD.

Also enclosed is a vendor drawing from CHAMCO INDUSTRIES LTD, which shows the piping details inside the fuel dispensing module.

#### D. VERIFICATIONS TO STORAGE CAPACITY WITHIN BERMS

STAVIBEL Engineering Services has completed verifications on the liquid storage capacity inside the containment berms, which create an impermeable enclosure around tank 680-TK-042.

The method used was a volume calculation using *Autocad CIVIL 3D* software.

The maximum storage capacity of fuel tank 680-TK-042 is 5 675 700 litres of diesel fuel at a standard temperature of fifteen degrees Celcius (15 °C).

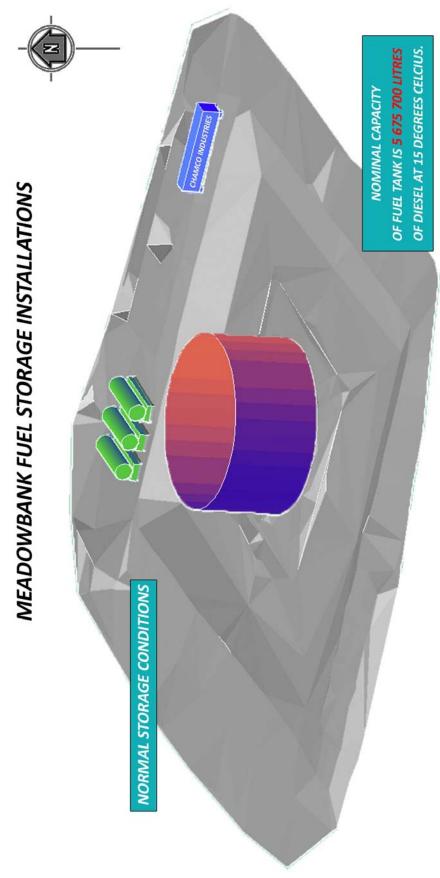
It has been verified using the above software that the impermeable enclosure around this fuel tank will effectively hold one hundred and ten percent (110%) of its maximum storage capacity. This theoretical calculation does not include the volume inside the tank itself, as if the fuel was pumped outside the tank.

Thus, the lowest point of the HDPE membrane that sits atop the containment area is sufficiently high (at elevation 150.94 m) to meet the above criteria.

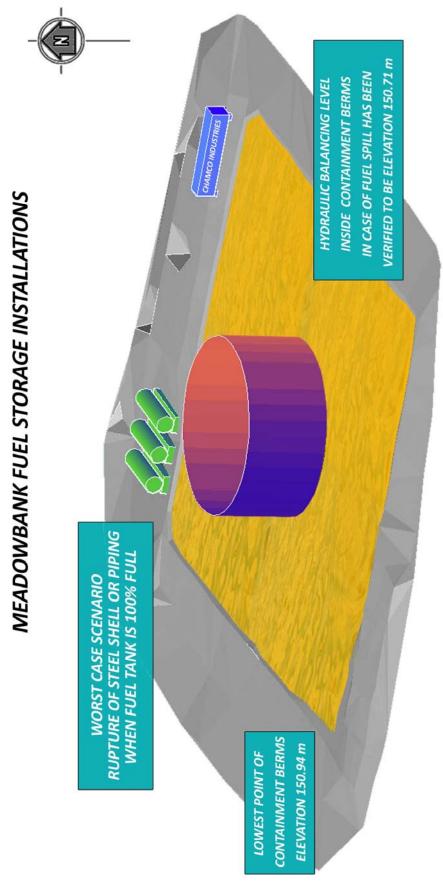
On the following pages are the results of a software simulation, which are showing a 3D view of the containment area in normal storage conditions, as well as another view showing the worst case scenario.

This worst case scenario would consist in either a rupture of the first course of side plates in the tank shell, or a failure in the outlet piping, when the tank is 100% full.

This simulation shows that, in such a worst case scenario, the hydraulic balancing level inside the containment area would not exceed the point with the lowest elevation on the surrounding berms. There is a safety margin of about 200 mm.



Our Reference : V. PAGE 7



Our Reference : V. PAGE 8

### **APPENDIX 1**

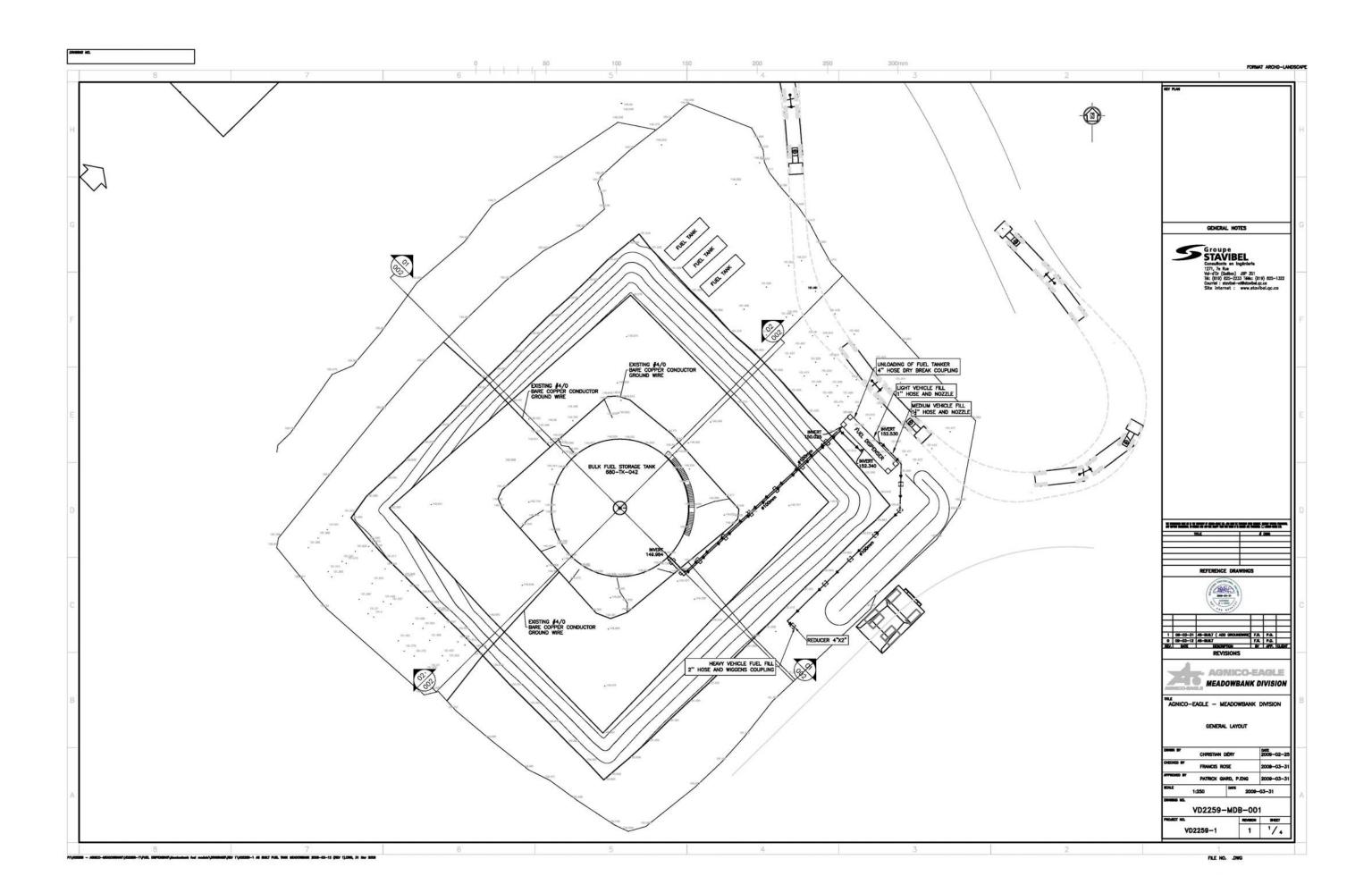
### **AS BUILT DRAWINGS**

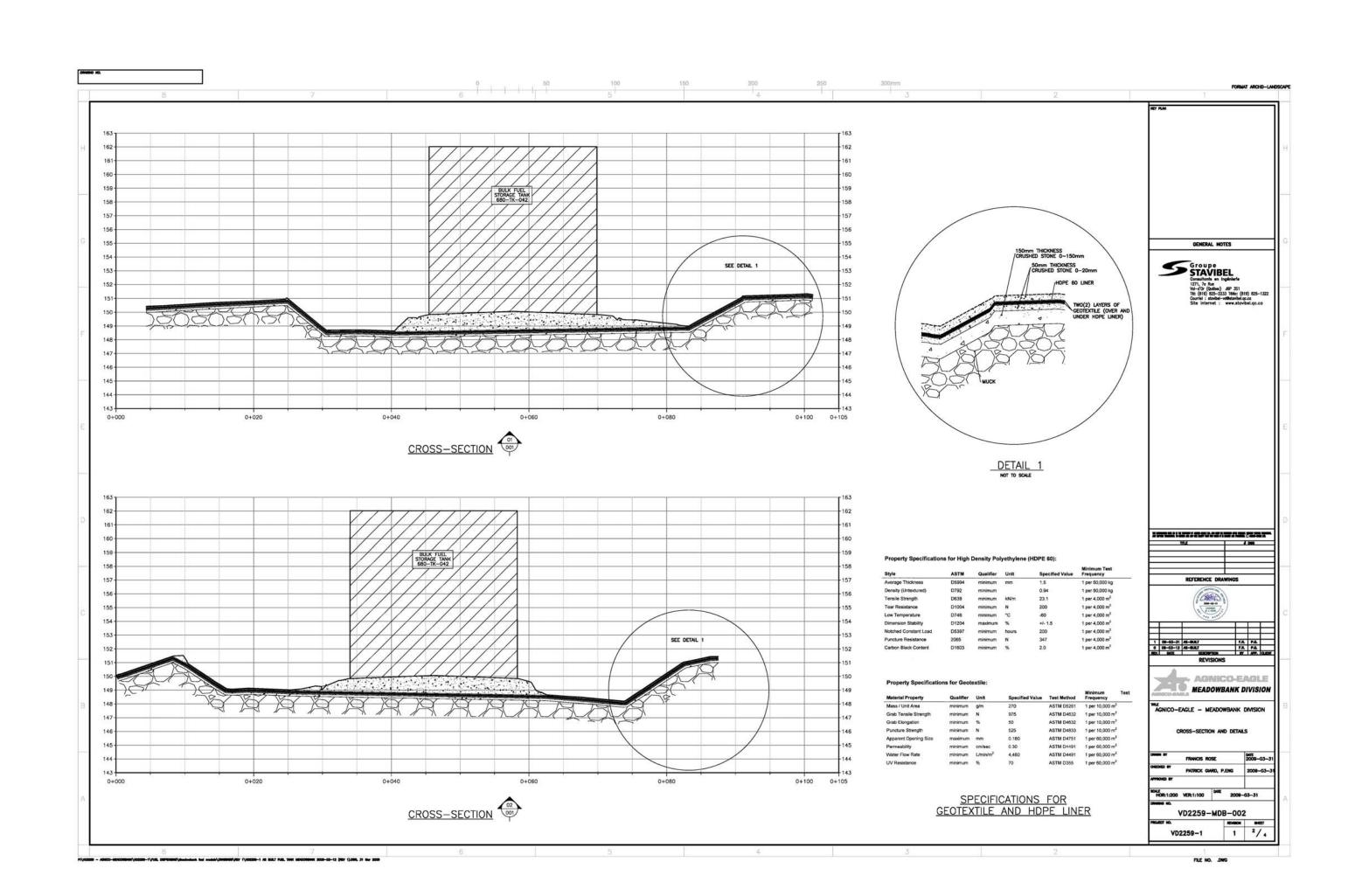
VD2259-MDB-001 VD2259-MDB-002 VD2259-MDB-003

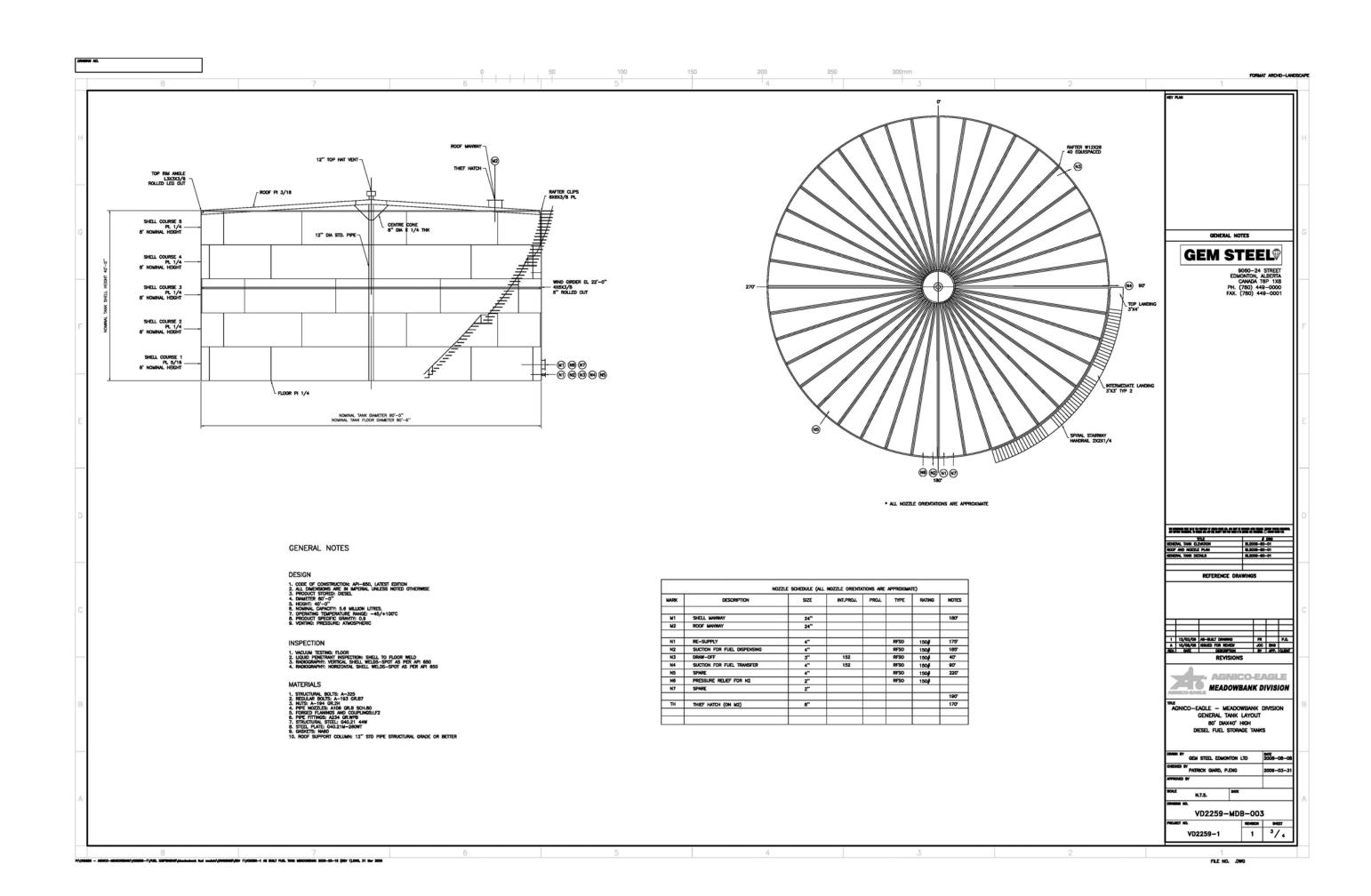
017202-2000-46D6-2001 IFC DRAWING from SNC-LAVALIN

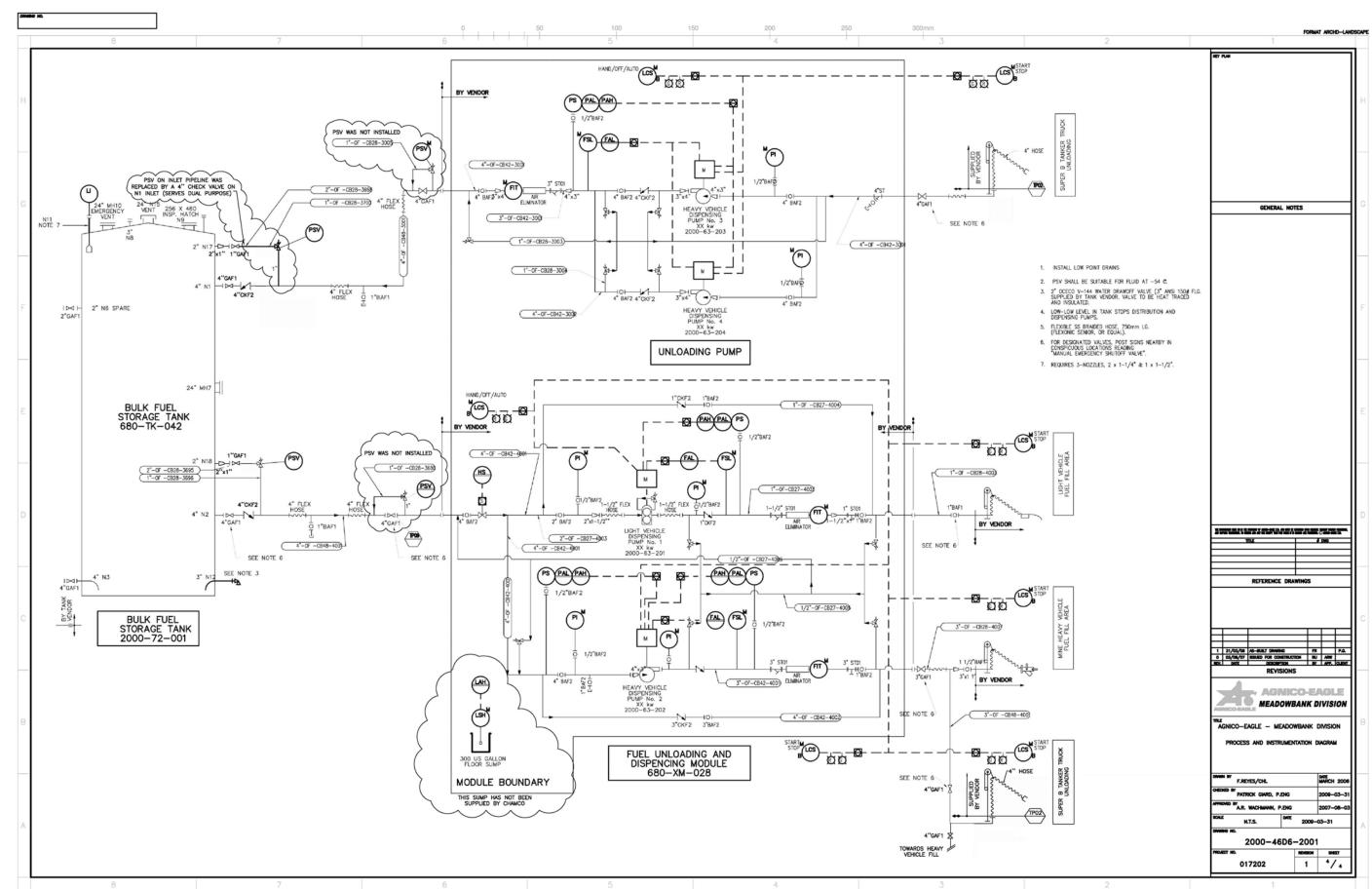
# Plus one (1) drawing from CHAMCO INDUSTRIES LTD

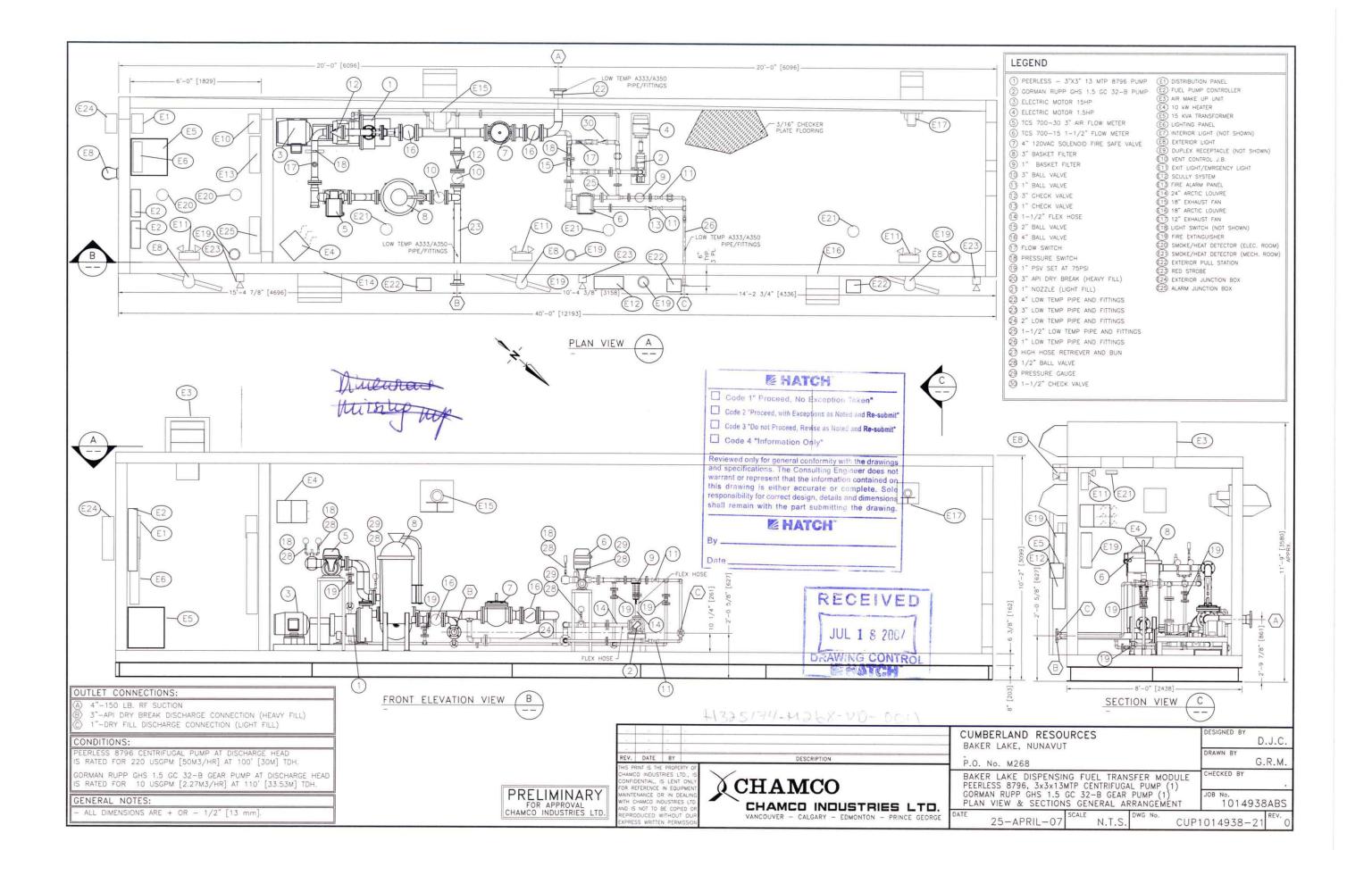
Vendor ref. # CUP1014938-21











## **APPENDIX 2**

### SAFE FILL LEVEL FOR FUEL TANK 680-TK-042

The safe fill level of fuel tank 680-TK-042 depends on the temperature of the fuel inside the tanker, as well as outside temperature. In order to allow room for thermal expansion of diesel fuel, some care must be taken not to exceed the safe fill levels stated hereunder. The VAREC float gives imperial readings.

safe fill for fuel tank 680-TK-042				
TEMPERATURE	MAXIMUM FUEL LEVEL			
of fuel unloaded	feet	inches	fraction	
- 40°C	38	1	9/16	
- 35°C	38	3	3/8	
- 30°C	38	5	3/16	
- 25°C	38	7	1/16	
- 20°C	38	8	7/8	
- 15°C	38	10	3/4	
- 10°C	39	0	5/8	
- 5°C	39	2	9/16	
0°C	39	4	9/16	
+ 5°C	39	6	1/2	
+10°C	39	8	1/2	
+15°C	39	10	1/2	