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(Sent by E-mail)
July 28, 2008
CIDM: 240178

**Contravention of the Nunavut Water and Nunavut Surface Rights Tribunal
Act**

- Inspector's Direction -

I, Andrew Keim; a duly designated Inspector pursuant to subsection 85 (1) of the **Nunavut Waters and Nunavut Surface Rights Tribunal Act (2002, c. 10)**, conducted, on July 25th, 2008 an Inspection of the Bulk Fuel Storage (Bladder Farm) operated by Baffinland Iron Mines Corporation at Milne Inlet in the Qikiqtani Region of Nunavut, Canada.

This inspection was conducted in response to a verbal notification on Monday July 21st by Jim Millard, Environmental Superintendant, Baffinland Iron Mines Corp. of an uncontrolled discharge of an unknown quantity of fuel on June 16th, 2008 within the Bladder Farm. Mr. Millard also informed this office that as of July 21st, 2008 a Spill Report had not been filed.

Mr. Millard was directed on July 21st, 2008 to immediately file a Spill Report with the NWT/NUNAVUT SPILL LINE. Additionally, Mr. Millard was directed to provide a complete report on on-going clean up activities at the site by July 28th, 2008. This follow up was to include results of analysis taken at the discharge point of the Bladder farm prior to any discharge to the environment. The delay in filing the original spill report necessitated the condensed time frame for follow-up reporting.

Based on information provided in the Spill Report # 2008-347, received on July 23rd, 2008 and a subsequent review of the information provided the Inspector on the 21st of July, an inspection of the facility was conducted on July 25, 2008.

As stipulated in subsection 12 1(b) of the Act: Except in accordance with the conditions of a License, no person shall deposit or permit the deposit of waste in any other place in Nunavut or under any conditions in which the waste, or any waste that results from the deposit of that waste, may enter waters in Nunavut.



As a result of the inspection and as was confirmed by on site personnel, it was determined that on June 16th, 2008 a fuel bladder operated by Baffinland Iron Mines Corporation, located within the Bulk Fuel Storage Area at Milne Inlet, Nunavut did suffer a failure along a seam. The failure released an estimated 10,000 litres of fuel into an estimated 500,000 litres of contaminated water within the Bulk Fuel Storage Area.

By copy of this Order and under the authority vested in me pursuant to subsection 87 (1) (ii) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, Baffinland Iron Mines Corporation is directed as follows;

In relation to the resupply of fuel into the Milne Inlet Bulk Fuel Storage Facility (Bladder Farm)

- Baffinland Iron Mines Corporation will refrain from the active resupply of fuel into the facility until the following terms and conditions have been reviewed and approved by the Inspector.
 - Submission of a plan for the treatment and removal, before freeze up, of contaminated water and fuel contained within the Bulk Fuel Storage area (Bladder Farm).
 - Such plan shall include but not be limited to the following;
 - A detailed description of the quality control protocol to be implemented as part of the submission of the above plan. I.e. Sampling Frequency, Determination of expected life of Activated Carbon filters, and Treatment Equipment. :
 - A description of the sampling and monitoring program to be utilized by Baffinland Iron Miners Corp that confirms the integrity of the berm and liner utilized within the Bulk Fuel Storage Area (Bladder Farm)
 - A description of the process by which the 300 barrels of contact water previously removed from the Bulk Fuel Storage Area will be treated prior to the onset of freezing.
 - Submission of a report that includes an assessment of the integrity of the fuel storage bladders currently contained within the Milne Inlet Bladder Farm. The assessment must be signed and stamped by a certified engineer and include, but not be limited to, the following specific factors;
 - General condition of remaining bladders within the Bulk Fuel Storage area.



- The possibility of deterioration of the fabric and seams of the bladders which are currently are in constant contact with Hydrocarbon contaminated water.
- The possibility of deterioration of the fabric and seams of the bladders which are currently underwater and have a water/fuel matrix contained within bladder. This must include a review of effects assuming ice formation within a full bladder.
- An assessment of the integrity of the Bladder walls and bottom in relation to weight of the bladder, once full displacing and compacting the ground there by allowing water and fuel to percolate upward and freeze the bladder to the ground within the Bulk Fuel Storage Area.

In relation to the failure of a seam on a Bladder containing Fuel within the Bulk Fuel Storage Area, (Bladder Farm) at Milne Inlet.

- Submission of a report on what occurred and/or identification of the contributing factors resulting in the failure of the bladder seam on June 16th, 2008.
- A determination of the total amount of fuel released into the containment area.

Failure to comply fully or in part with an **Inspector's Direction** constitutes a offence under subsection 90 (1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and entails, upon summary conviction, a fine of \$100,000 or to imprisonment for a term of one year, or both.

Further pursuant to subsection 90 (4) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, each day on which the **Inspector's Direction** is not complied with shall be considered a separate offence.

Andrew Keim

Inspector

(Original mailed this Date)

Inspector's Signature



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

cc.

Nunavut Water Board, Gjoa Haven

Bernie Mac Isaac, Manager – Field Operations INAC

Robert Eno – Manager Environmental Protection, Government of
Nunavut.

Craig Broom - Manager of Enforcement, Environment Canada