

Richard Dwyer

2BB-MRY1114 Technical

From: Jim Millard [Jim.Millard@Baffinland.com]
Sent: Friday, July 22, 2011 8:23 AM
To: 'Sean Joseph'
Cc: Richard Dwyer; 'Phyllis Beaulieu'
Subject: RE: 2BB-MRY1114 Action Plan for Decommissioning of Milne Inlet Bulk Fuel Storage Facility and the Construction of New Fuel Tank Storage

Hi Sean, I am just about to head out on vacation and I was hoping to hear back from you.

- 1) Did you receive the info package that I sent last Sunday (see below).
- 2) When we can expect to hear back from the Board on our modification.

The equipment and materials for this project need to be shipped on the sealift and they are soon to be loaded on ship for sealift.

Kind regards,
Jim

Jim Millard, M.Sc., P.Geo.
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From: Jim Millard [mailto:Jim.Millard@Baffinland.com]
Sent: July 19, 2011 4:34 PM
To: 'Sean Joseph'
Subject: RE: 2BB-MRY1114 Action Plan for Decommissioning of Milne Inlet Bulk Fuel Storage Facility and the Construction of New Fuel Tank Storage

Hi Sean, I am just sending this e-mail to confirm that you have received the information response I sent on Sunday (see e-mail below) and that you have what you need. Also, I was wondering when I might be hearing about any decision on the Modification. Our construction group is starting to prepare for this work and any idea on schedule would be useful for preparation and delivery of supplies and equipment on the sealift planned for August.

Thank you,
Jim

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From: Jim Millard [mailto:Jim.Millard@Baffinland.com]

Sent: July 17, 2011 7:07 PM

To: 'Sean Joseph'

Cc: 'Phyllis Beaulieu'; 'Salamonie Shoo'

Subject: RE: 2BB-MRY1114 Action Plan for Decommissioning of Milne Inlet Bulk Fuel Storage Facility and the Construction of New Fuel Tank Storage

Good day Sean,

I am providing you with Baffinland responses to the NWB requests for information dated July 13, 2011.

NWB Information Request No. 1: The scope (Section 2) of the Action Plan states that a containment area will be constructed for the new storage tank and supporting facilities. An explanation is required on what are considered as supporting facilities.

Baffinland Response: The supporting facilities referred to in the Action Plan are described in Attachment B and C of our June 21 letter and include bulk dispensing module to be installed under lined containment and piping/fittings from tank to/from the bulk dispensing module. In addition to these items a generator will be installed within the lined containment area (as a precaution during refueling) and an area will be established, also within lined containment for a future oily water treatment system that will be similar to that currently and successfully used for existing operations. The generator will provide electrical power for dispensing needs and other requirements associated with the facility.

NWB Information Request No. 2: Results of geotechnical drilling undertaken in June 2011, aimed at confirming the integrity of the proposed tank location.

Baffinland Response: A geotechnical investigation was undertaken during June 2011 that included the advancement of 15 test holes within the footprint of the proposed new fuel tank storage area and included foundation recommendations for the proposed tank. In response to the information request, Baffinland is providing the following documents:

- Technical memorandum from Thurber Engineering Ltd. to the Hatch Engineering Group entitled: *Mary River Project, Five Million Litre Storage Tank at Milne Inlet – Foundation Recommendations (Issued for Design)*.
- Borehole logs.

Please note that page 3 of the attached technical memorandum states that the proposed site for the tank farm is considered suitable from a geotechnical point of view and the design of the secondary containment structure and tank foundation will be satisfactory provided the recommendations provided in the memo are followed.

NWB Information Request No. 3: Confirmation is required on whether the proposed containment dyke schedule for construction this summer (2011) would be confined to that immediately surrounding 5 M litre tank, as depicted in the drawing No. H 337697-4020-042-001. In other words, confirm if the extended containment area projected for future expansion of the fuel storage facility, as shown in the same drawing, will be constructed this summer as well.

Baffinland Response: The proposed dyke containment construction during the summer of 2011 would be confined to that immediately surrounding the 5 M litre tank as depicted in the drawing No. H 337697-4020-042-001. The extended containment area projected for future expansion will not be constructed this summer. It is our understanding that the construction of the extended containment area would not be authorized under the current modification but would require future approval.

NWB Information Request No. 4: Alternative method(s), other than land-farming, for the treatment and/or disposal of hydrocarbon contaminated soils affiliated with proposed decommissioning of the existing bulk fuel storage facility at Milne Inlet.

Baffinland Response: There is a high degree of certainty that the land-farming of hydrocarbon contaminated soils originating from the proposed decommissioning of the existing bulk fuel storage facility at Milne Inlet will be effective. It is well known in the literature and in practice that diesel and Jet A fuel contaminated soils have been proven to be amenable to cold-climate land-farming treatment. A land farm design report and management plan will be submitted to the NWB for approval in 2012. We recently retained an engineering consultant for this purpose. At the present time the alternative method being considered is shipment off-site to an established soil treatment facility, likely located in Southern Canada.

I trust that the forgoing information and attachments are satisfactory for your purpose. If you require clarification or additional information, please do not hesitate to contact me at your convenience.

Kind regards,

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