

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

ENVIRONMENTAL PROTECTION ORDER NO. EPO-2019/01-UAR

Darren Myshak
67, 53504 RGE RD 274
Spruce Grove AB
T7X 3R9

KMC Oilfield Services Ltd.
102, 5300-50th Street
Stony Plain AB
T7Z 1T8

Muskeg Construction Ltd.
102, 5300-50th Street
Stony Plain AB
T7Z 1T8

(the "Parties")

WHEREAS KMC Oilfield Services Ltd. ("KMC") and Muskeg Construction Ltd. ("MUSKEG") are corporations registered in Alberta;

WHEREAS Darren Myshak ("MYSHAK") is the sole Director and 100% voting shareholder of KMC and MUSKEG and at all material times relevant to the events contained in this order, MYSHAK held himself out to Alberta Environment and Parks ("AEP") as the principal of KMC and MUSKEG;

WHEREAS the lands in question are public lands legally described as 12-23-66-10-W5M, as shown in the aerial map and attached photographs at Appendix "A, B, C, and D" (the "Lands");

WHEREAS the most recent disposition affecting the Lands was a Miscellaneous Lease granted to Swanalta Trucking Ltd. ("SWANALTA") on February 23, 1987 for the purpose of storage and use as pipe yard (the "SWANALTA Disposition") and that AEP cancelled the SWANALTA Disposition on September 23, 2012;

WHEREAS at no time has AEP granted the Parties an authorization or disposition to occupy the Lands;

WHEREAS on March 13, 2019, AEP staff conducted an inspection of the Lands and observed a truck, belonging to Tri-High Pressure Ltd., loading Calcium Chloride into a tanker;

WHEREAS documentation obtained by AEP shows that Tri-High Pressure Ltd. began occupying and operating the Lands in September, 2018 pursuant to a lease agreement the company entered

into with MUSKEG.

WHEREAS Tri-High Pressure Ltd. ceased operating on the Lands in April, 2019;

WHEREAS on May 30, 2019, an AEP Environmental Protection Officer (the "EPO") conducted an investigation of the Lands and observed: a chain link fence that surrounded a portion of the Lands, two gates locking the chain link fence, a sign posted on the north gate that read "KMC Oilfield Services 12-23-66-10-W5M" and the following items within the area surrounded by the chain link fence:

- two containment structures containing a total of 13 tanks,
- a number of plastic barrels,
- 2 totes,
- 4 large light blue plastic tanks, and
- an unoccupied, uninhabitable mobile home;

(collectively the "Equipment")

WHEREAS during the May 30, 2019 investigation, the EPO also observed bare, course grained, discoloured soil and stressed lodgepole pine trees west of the containment structure that is located on the north portion of the Lands (the "North Containment Structure");

WHEREAS on June 26, 2019, the EPO interviewed MYSHAK and MYSHAK informed the EPO that:

- MYSHAK is the sole owner of KMC and MUSKEG,
- KMC is MYSHAK's operating company and MUSKEG owns MYSHAK's business assets, and
- MYSHAK became partners with the principal of SWANALTA in approximately 2006-2008, and
- As a result of MYSHAK's partnership with the principal of SWANALTA, KMC took over the SWANALTA Disposition in approximately 2006-2008 and has used the Lands since that time to store and transfer Calcium Chloride.

WHEREAS at no time had AEP approved a transfer of the SWANALTA Disposition to any of the Parties;

WHEREAS on July 10, 2019, AEP staff attended the Lands and extracted one surface soil sample east of the Lands, two surface soil samples west of the North Containment Structure and two water quality samples from the North Containment Structure;

WHEREAS on July 10, 2019, AEP staff found evidence that liquid from the North Containment Structure had been released into the environment;

WHEREAS there is an intermittent creek located ninety meters down gradient of the North Containment Structure;

WHEREAS the results of the soil samples show that the surface soil sample extracted west of the

North Containment Structure had a value of 9.6 dS/m (DeciSiemens), which exceeds the Alberta Tier 1 Soil Remediation Guidelines, 2019 for electrical conductivity;

WHEREAS the results of the water quality samples show that the Chloride levels were at 804 and 842 mg/L, which exceeds the Environmental Quality Guidelines for Alberta Surface Waters, 2018 for Chloride guideline limit for the protection of freshwater aquatic life.

WHEREAS satellite imagery obtained shows that the release of a substance began causing an adverse effect to the Lands in approximately the year 2013.

WHEREAS an unknown volume of Calcium Chlorides (the "Substance") is present within soils in, on and/or under the Lands and the presence of the Substance in the soil means that Calcium Chlorides were released onto the Lands;

WHEREAS Owen Butz, Compliance Manager, Upper Athabasca Region (the "Director") has been appointed a Director for the purposes of issuing Environmental Protection Orders under the Act;

WHEREAS the Director is of the opinion that a release of a substance into the environment has occurred that has caused, is causing or may cause an adverse effect on the environment, including the impairment of or damage to the environment, human health or property;

WHEREAS the Director is of the opinion that no remedial work has been taken by the Parties to date to confine, manage or remediate the Substance and that remedial work is required to delineate, remediate, manage and/or remove the Substance;

WHEREAS the Parties are a "person responsible" for the Substance, as defined in section 1(tt) of the Act;

THEREFORE, I, Owen Butz, Director, Upper Athabasca Region, pursuant to section 113 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER THAT:

1. The Parties shall immediately take all measures necessary to stop the release or releases and prevent any further release of the Substance into the environment and prevent any further contamination to the environment;
2. By October 31, 2019, the Parties shall submit to the Director the name and qualifications of a professional holding a designation listed in the *Professional Responsibilities in Completion and Assurance of Reclamation and Remediation Work in Alberta Joint Practice Standard (v1.1 July 2012)*;
3. By November 14, 2019, the Parties shall submit a delineation plan to fully delineate the horizontal and vertical extent of the Substance in soil and groundwater in, on and under the Lands to the Director for review and approval (the "Delineation Plan"). The Delineation Plan shall be prepared by the individual referred to in clause 2 and shall include the following:
 - a) A map of the Lands detailing the locations where samples are to be taken and rationale for the sampling locations chosen,
 - b) The sampling methodology that will be implemented for the extraction of soil and ground water samples,

- c) The parameters that will be sampled for in both soils and groundwater,
 - d) The name of an accredited laboratory that the samples will be analyzed at, and
 - e) A schedule of implementation for carrying out work under the Delineation Plan that shall have a completion date of no later than November 21, 2019;
4. By November 21, 2019, the Parties shall complete the delineation activities prescribed by the Delineation Plan in accordance with the schedule of implementation, as approved by the Director;
5. By December 21, 2019, the Parties shall submit a written report of the result of the delineation to the Director within 30 days of completion (the "Delineation Report");
6. By October 31, 2019, the Parties shall submit a dismantling plan for the removal of all the Parties' fixtures and chattels that are located on the Lands, including, the Equipment and any remaining substance in the tanks that are located on the Lands, to the Director for review and approval (the "Dismantling Plan"). The Dismantling Plan shall be prepared by the individual referred to in clause 2 and shall include the following:
- a) The methods that will be implemented and materials that will be used to ensure that the Parties' fixtures and chattels that are located on the Lands will not cause any further adverse effects or releases during removal;
 - b) The location of where the Parties' fixtures and chattels that are located on the Lands will be transported to lawfully; and
 - c) A schedule of implementation for carrying out work under the Dismantling Plan that shall have a completion date of no later than November 14, 2019;
7. By November 14, 2019, the Parties shall complete the dismantling activities prescribed by the Dismantling Plan in accordance with the schedule of implementation, as approved by the Director;
8. By December 14, 2019, the Parties shall submit a written report of the result of the dismantling to the Director within 30 days of completion (the "Dismantling Report");

DATED at the city of Spruce Grove in the Province of Alberta, this 24th day of October, 2019.



Owen Butz
Compliance Manager
Upper Athabasca Region

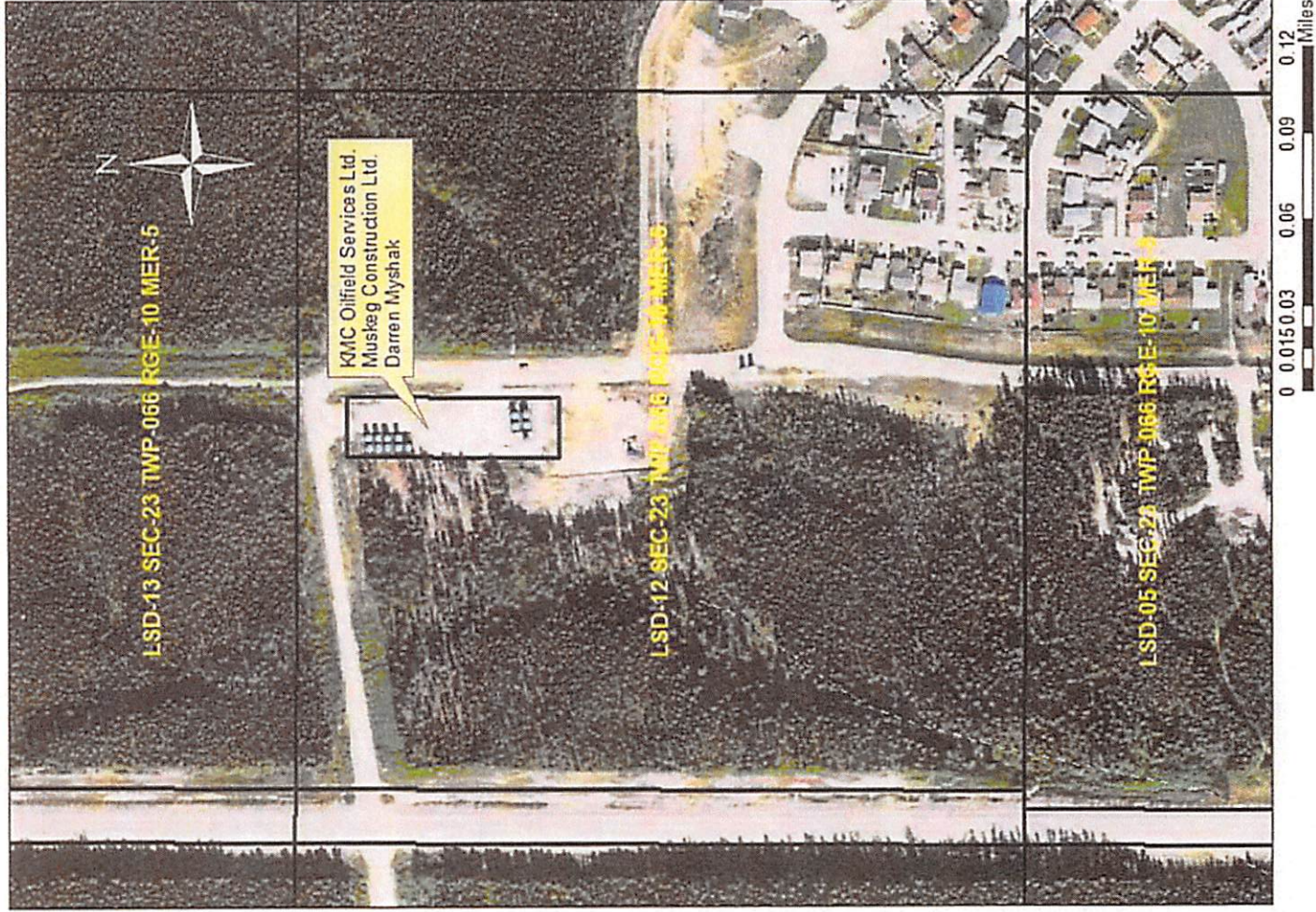
Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal.

For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10014 - 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Parties shall obtain all necessary approvals in complying with this order.

Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

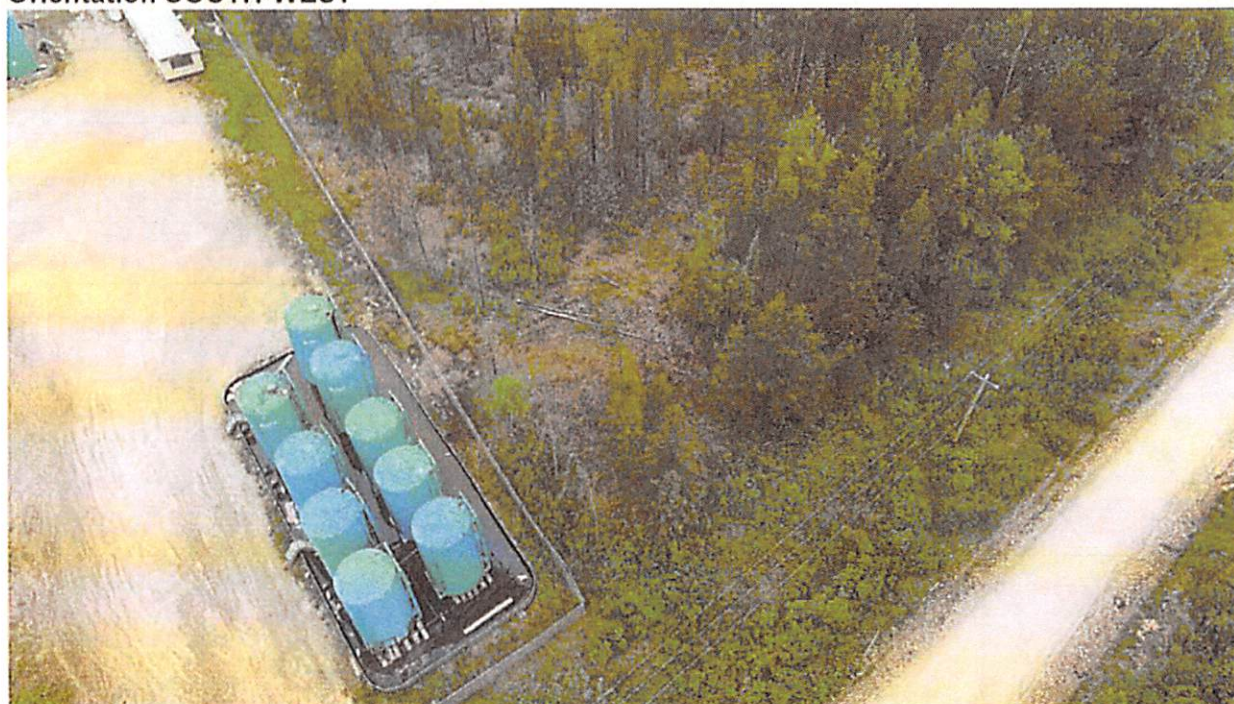
APPENDIX A - LSD 12-23-66-10-W5M



APPENDIX B
Orientation WEST



APPENDIX C
Orientation SOUTH-WEST



APPENDIX D
Orientation SOUTH

