

REGISTRATION FORM

Pursuant to Part X of

The Environmental Protection Act

NAME OF UNDERSTANDING: Blackhawk Industrial Services Renovations at Glencoe Drive

PROPOSER:

(i) Name of Corporate Body: Talon Energy Services

(ii) Address: 215 Water Street
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(iii) Chief Executive Officer: Terry King
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(iv) Principal Contact Person: Terry King
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1.0 THE UNDERTAKING:

1.1 Nature of the Undertaking

Talon Energy Services is currently leasing the facility located at 158 Glencoe Drive in Donovan's Industrial Park, Mt Pearl, NL. We are planning to renovate the existing building to house two of our subsidiary companies, namely **Karrigan Process Solutions International** and **Blackhawk Industrial Services**. These two companies provide complementary services but are independent businesses. Karrigan will occupy one (1) of the warehouse bays which will be suited for steel fabrication activities. Blackhawk Industrial will occupy the remaining two (2) warehouse bays which will be suited for grit blasting operations in one bay and painting operations in the remaining bay. **Karrigan Process Solutions International** provides fabrication services for process equipment while **Blackhawk Industrial Services** provides industrial painting and coating, insulation, and fireproofing services.

1.2 Purpose / Rationale / Need for the Undertaking

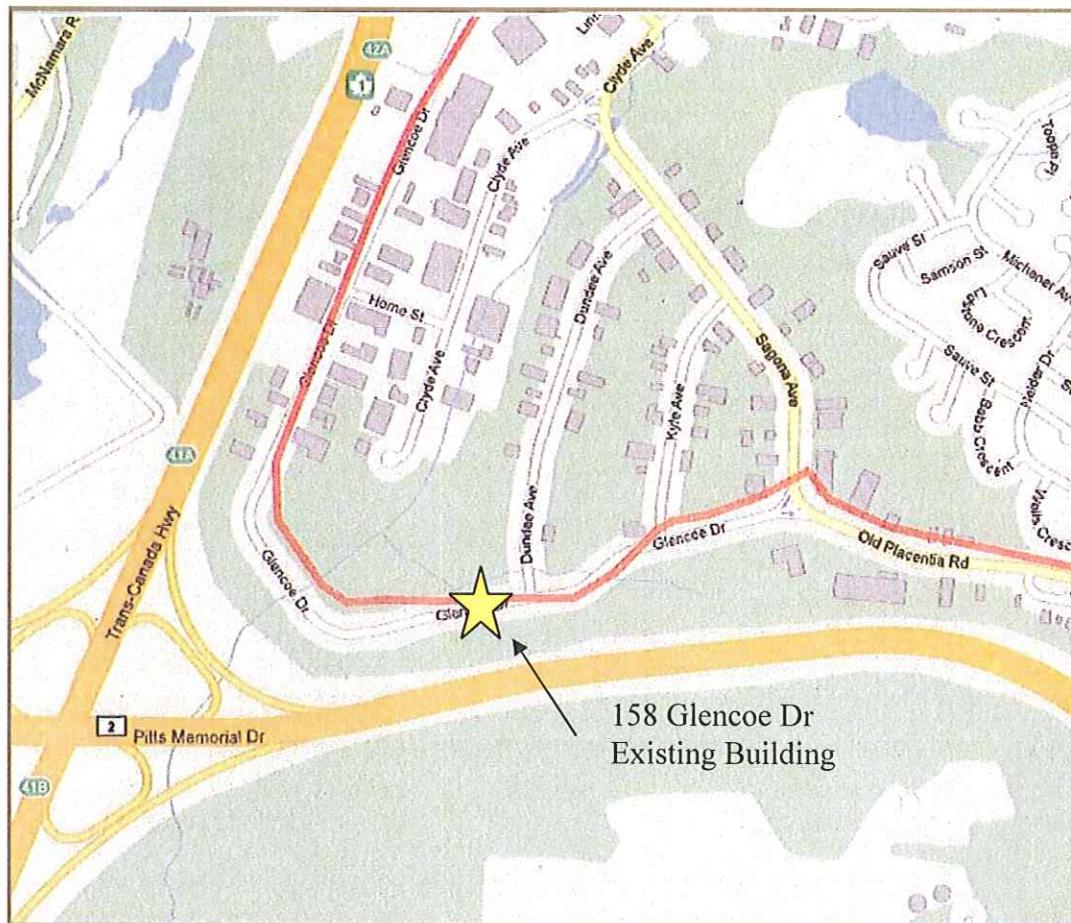
With a continually expanding oil and gas sector in our province, as well as new mining initiatives, there is a need for a full service process fabrication shop that can design, fabricate, and coat fully functional process skids to service this industry.

It is also necessary to maintain the existing equipment that is currently in service in these fields.

2.0 DESCRIPTION OF THE UNDERTAKING:

2.1 Geographical Location

The civic address of the proposed renovations is 158 Glencoe Drive. This is in Donovan's Industrial park in the City of Mt Pearl. The proposed modifications to this building are mainly on the interior. The only changes visible from the exterior of the building will be the addition of new exhaust fans and a dust collection system. Figure 1 is a map of the area with the building noted.



2.2 Physical Features

As stated previously, the proposed modification is to an existing building. All of the required infrastructure is in place. There currently exists driveway access from Glencoe Drive, a paved parking area, handicapped parking and proper accessibility. The only changes that will be visible from the outside is the addition of new exhaust fans. Figure 2 is an Elevation drawing of the existing building.

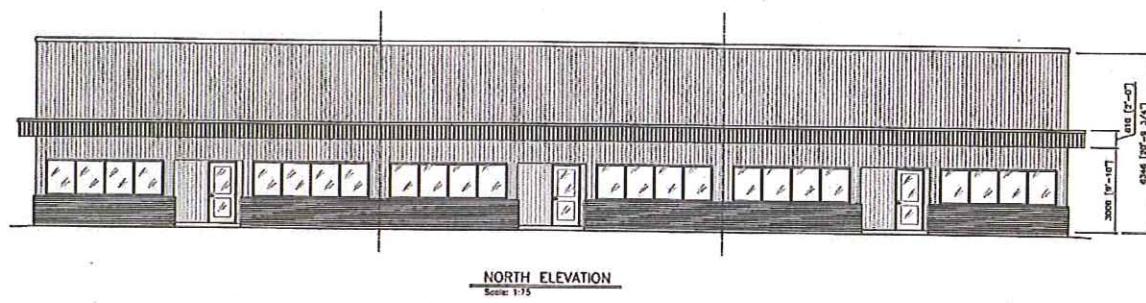


FIGURE 2 – Front Elevation

2.3 Construction – N/A

2.4 Operation

2.4.1 Description of Operation

The intended operation of this facility is to sandblast, and to apply paint coatings to fabricated steel items such as pipe spools. The hours of operation will be from 8:00 a.m. to 5:00 p.m. Monday to Friday. All aspects of the equipment have been designed specifically for this building and application. The blasting bay of this facility is a self-contained air filtration system that returns the clean air back into the bay at 99.9% clean as a method of heat recovery.

The paint bay houses an air make-up unit and filtration system capable of filtering 99% of air borne particulates over 20 microns in size. The system filters 40,000 cubic feet per minute of air before ejecting it through up-blast fans that will be mounted on the roof portion of the building.

It is important to note that this system has been professionally designed, and stamped by professional Engineers, licensed to practice in the Province of Newfoundland and Labrador.

It is also important to note that this renovation proposal has also been subject to a discretionary use process with the city of Mount Pearl. There was no contest during this process and therefore no hearing was held.

2.4.2 Estimated Period of Operation

While Talon is currently leasing the property, a significant investment is required to fit-up the facility. The intent of this facility is for it to be a permanent operation.

2.4.3 Potential Sources of Pollution

All Material Safety Data Sheets of the products to be used were supplied to the design Engineers during the design stage and the equipment was selected to suit these products. The blast media is not silica based and there shall be no storage of paint chemicals in the building. All solid wastes will be handled by a dedicated waste management container, owned and emptied by a third party.

With respect to emissions, the blast process air shall be brought through a filtering system that removes 99.9% of the particulates and re-introduces this air back into the blast area as a means of heat recovery. The air from the painting bay is going to be removed from the building at a rate of 40,000 cubic feet per minute. This air is going to be filtered through an engineered bank of filters and ejected through up-blast fans on the roof. The filtration specifications indicate that the filters remove 99% of all particulates over 20 microns in size. The fresh air will be introduced through an air make-up unit capable of pre-heating this 40,000 cfm.

Occupants

The estimated number of employees that will be working at this facility is 10-12. This includes the office staff, the trades people, and supervision. The initial expected employment by classification would be:

- Reception – 1
- Supervision – 2
- Welders – 4
- Painters – 4

Talon Energy Services is an equal opportunity employer and all of the Human Resources, Payroll, and other administrative duties will be housed in our corporate offices in Atlantic Place, St John's.

2.5 Project Related Documents

There are no relevant environmental documents or studies related to the renovations of this facility or the immediate area. The only related item was the discretionary use process that was conducted by the City of Mt Pearl. The result was no contest.

3.0 APPROVAL OF THE UNDERTAKING:

The following matrix is a summary of the applications / approvals that have been initiated to date with respect to the proposed renovations of this building.

Activity Description	Date Started / Received	Date Completed / Received
Secure Building	1-Jan-10	N/A
Engaged Crosbie Engineering	11-Jan-10	N/A
Meeting With AMEC Engineering to engage Conceptual Design	29-Jan-10	15-Feb-10
Crosbie Engineering on Mech and Elect Stamped Engineer Design	26-Jan-10	16-Mar-10
Dept of Govt Services Applications (Fire/Life Safety & Bldg's Accessibility)	25-Jan-10	24-Feb-10
City of Mt Pearl Applications	25-Jan-10	N/A
Beginning of Lease	15-Feb-10	N/A
Discretionary Use Application	5-Apr-10	22-Apr-10
Call from Paul Carter regarding EA (1st time aware of this)	14-Apr-10	N/A
Submit Document to Dept of Environment	16-Apr-10	N/A
Advised of Mr Carter's Recommendations	16-Apr-10	N/A
Planning Division submits Recommendations to Council	23-Apr-10	23-Apr-10
Mt Pearl City Council Passes Developmental Application	N/A	4-May-10
City of Mt Pearl Receives letter from Dept of Environment requiring EA	N/A	5-May-10
Talon Receives Letter from Dept of Environment requiring EA	N/A	6-May-10
Meeting with Department of Environment to Discuss Potential EA	7-May-10	N/A
Drafted additional letter requested by department to explain proposal	N/A	11-May-10
Received response that EA was going to be required	N/A	17-May-10

4.0 SCHEDULE:

The lease of this building has already been secured. All design work and drafting has been completed. The construction crews are ready to begin and the majority of the materials are stock items. Some of the major components have also been sourced.

The remaining work is estimated to take approximately six weeks. Therefore the schedule for beginning to operate out of this facility is approximately six weeks after release of the Environmental Assessment.

5.0 FUNDING:

There has been no outside funding requested for this project outside of owner bank financing. This financing is in place and there is no requirement for a loan or grant from any government agency.

19 - MAY - 10

Date

Terry King, P.Eng.
Terry King
President