



**Bulk Fuel   Fuel Cards   Lubricants   Race Gas   Chemicals   Cleaning Products   Solvents   Fuel Storage**

***"WE DELIVER ON OUR PROMISE"***

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20 September 2006

Dear Customer

### **Fuel Storage and Handling**

Are you confused and/or frustrated over the debate (and lack of factual information) in the marketplace relating to the storage and handling of petroleum products on farm?

If your answer to this question is **YES**, then join the club because we have also been struggling with trying to understand what the actual requirements are as well, due to the continual shifting of goal posts by Government agencies and those parties representing their interests. Further confusion has been added by the actions of some suppliers from within the industry to the farm market.

While all this has been going on we at McKeown's have continued supplying a service to you as our customer with as little disruption as possible until we felt that we were in a good position to provide you with the correct information. To understand what you are required to do by law we have, on your behalf, waded through the information and taken advice from all of the regulatory bodies and we can now give you the tools to make an informed decision about the best choice that you alone need to make going forward.

There are three areas we wish to cover:

- a) The background to the changes.
- b) The ERMA regulations related to On Farm Storage.
- c) Assisting you by providing you with the options so you alone can make an informed decision based on your own requirements.

The background to this is that back in the good old days we had Dangerous Goods Authorities which were managed from within respective area Local and District Councils who issued Dangerous Goods Licenses and managed the Dangerous Goods Act and the associated compliance. This was fine in theory but in practice it evolved into a 'local interpretation' act with each council making it's own rules with no regard for you, the customer or the consistency of how the rules were applied across regional boundaries. This was not isolated to just the fuel industry so to establish some consistency of standards across a range of areas, ERMA (Environmental Risk Management Authority) was established. This is 'performance based' legislation and although it sets out basic requirements for the management there are still grey areas that can only, in time, be tested in the courts by exception.

ERMA is a group of eight professional people who sit as a panel and arbitrate the rules. They are supported by ERMA New Zealand, a newly formed government department. They use OSH and other independent parties to manage and enforce the requirements. From your perspective all you need to know is that there is change and how it affects you and your operation.



For your benefit we have enclosed the ERMA rules, as they currently apply, for the storage and handling of fuel on farms and recommend that you read it carefully to understand how it applies to your particular circumstance. You will come to the conclusion very quickly, I'm sure, that 'above ground' storage is reasonably straight forward to comply with and requires little if any external support to meet the compliance guidelines. Underground storage is however more of a challenge to make compliant and will involve external support to gain compliance. It is not as onerous a process as some of the hysteria in the market place would have you believe but the question really is whether or not you want to go through the process or just remove the tanks and establish above ground storage.

To assist you in your decision we asked industry installation professionals, Petro-tec, who we ourselves are currently using, to meet with the regulatory agencies and put together a package that will assist you to know with a single visit what you will be required to do to gain compliance for your underground tanks and the costs involved. For those with more than 100 litres of petrol storage, Petro-tec will also be able to give you the required 'approved handler' assistance.

Once you have an estimate/quote for complying your underground storage, give McKeown's a call and we will give you a comparison price for the supply of above ground tanks so that you can quickly make a choice as to the best way forward for your operation.

Just to summarise, if you have above ground storage then it is relatively straight forward. If you have under ground storage and wish to retain it then we recommend that you contact Petro-tec (as attached) and organise a site visit. If your decision is to buy above ground storage then please give our team a call in the office on 0800 800 908 or myself on 021 343 991 and I'd be happy to discuss any aspects of this with you.

As a valued customer of McKeown's we hope that this information will alleviate some, if not all of your questions or concerns and provide a road map to a solution to your fuel storage requirements.

Yours sincerely  
**MCKEOWN PETROLEUM**

**PAUL LINDSAY**  
Marketing Manager – Petroleum

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**OFFER APPLIES TO MCKEOWN PETROLEUM CUSTOMERS  
ONLY  
Farm Storage & Approved Handler Compliance**

Dear McKeown Petroleum customer,

Enclosed please find a brief of the current regulations from ERMA regarding farm fuel installation compliance and associated criteria.

Petro-Tec Services Ltd would like to assist you as a McKeown Petroleum customer to bring your fuel installation up to specification by 1 April 2007. To simplify this process we have established a 'road map' of steps as outlined here to assist you in gaining the required compliance:

- Initial site visit by Petro-Tec Services Ltd.
- At initial site visit we would require you to make available a farm site plan which will be required with details of existing fuel location/s and buildings.
- If no work required to upgrade installation, an issuing of compliance by test certifier will be applied for.
- All work to upgrade will be discussed on site and a written quote will be issued to clients.
- On acceptance of quote, repairs/work will be carried out to complete upgraded installation.
- Test certification compliance will be applied for on completion of work. Wetstock Management and Approved Handler advice, if applicable will be given at this point.
- Photographs before and after will be kept on Petro-Tec Services Ltd files for any future reference.

McKeown Petroleum have asked us to approach this compliance programme on the basis that, rather than treat each customer separately, we 'hub' as

many customers together as possible before visiting. We have agreed to this and request that, where possible, you assist in arranging multiple visits.

In anticipation of this:

**Our initial visit per farm to McKeown Petroleum customers would be \$100.00 (excluding GST).**

Any other costings will be quoted on site.

If you require any further information please do not hesitate to contact myself on 03-384-3008, or 021-273-3047.

Yours sincerely  
PETROTEC SERVICES LIMITED

Andrew McSaveney  
SERVICE MANAGER

20 September 2006  
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S:\Petroleum\McKeown Petroleum Farm Tank Certification 180906