



June 1, 2014

KM LNG Operating Ltd.
Suite 1000, 700 – 9th Avenue SW
Calgary, Alberta T2P 3V4

Attention: Surface Land Administrator

RE: Temporary Occupation of Crown Land – Storage Permit

Storage Location: A-011-K/103-H-15

Date of Issuance : June 1, 2014

Commission File No: 9636138

AUTHORIZATIONS

Temporary Occupation of Crown Land Permit under section 14 of the *Land Act*

1. The BC Oil and Gas Commission, hereby authorizes the holder of Permit Number 9636138, under section 14 of the *Land Act*, to temporary occupy and use Crown land for the purpose of constructing and operating the ancillary works referenced above, under Authorization Number 944546, subject to the following:
 - i. The authorization granted under this permit is limited to the area described in construction plan number JOB: 3111-01197-16-2, DRAWING: 01197-16-2SK2, dated November 12, 2011 completed by McElhanney Geomatics Professional Land Surveying , as submitted to the Commission in the permit application dated January 6, 2012.
 - ii. In the event a heritage site, heritage object, or any other feature, place or material that may contain historical or archaeological value as defined by the *Heritage Conservation Act* [RSBC 1996] Chapter 187 is encountered, the permit holder must cease disturbance activities and immediately notify the Oil and Gas Commission.
 - iii. The permit holder will indemnify the Province of British Columbia (the "Province") and the Commission against all losses, damages, costs, and liabilities arising out of any breach or non-performance of any condition or agreement set out in this permit, and any personal injury, death or property damage occurring on the site or happening by virtue of the permit holder's occupation of the site, and the amount of such losses, damages and costs shall be payable to the Province or the Commission immediately.
 - iv. The permit holder will immediately effect, and keep in force while occupying the site, insurance of an amount not less than \$1,000,000 protecting the Province, the Commission and the permit holder (without any rights of cross-claim or subrogation) against claims for personal injury, death, property damage, or third party or public liability claims arising from any accident or occurrence on the site.
 - v. The authorization to occupy and use Crown land does not entitle the permit holder to exclusive possession of the area. The permit holder will not interfere with the activities of another person entering on and using the area under a prior or subsequent *Land Act* disposition.
 - vi. The rights granted by this permit are subject to all subsisting grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Water Act* or *Wildlife Act*, or any extension or renewal of the same, any prior dispositions made under the *Land Act*, and the exceptions and reservations of rights and interests under Section 50 of the *Land Act*.

- vii. The permit holder will acknowledge and agree that any interference with rights granted under this permit L, virtue of the exercise or operation of the rights or interests set out in Sections (v) or (vi) above shall not constitute a breach of the Province's or the Commission's obligations under this permit and the permit holder will release and discharge the Province and/or the Commission from any claim for loss or damage arising directly or indirectly out of any such interference. The permit holder will also agree to pay all costs and expenses that arise out of the permit holder's interference with the rights or interests set out in Sections (v) or (vi) and that the permit holder will not commence or maintain proceedings under Section 65 of the Land Act with respect to interference with the permit holder's rights arising out of exercise or operation of the rights set out in Sections (v) or (vi) .
- viii. The permit holder must pay, when due, the Fees to the address set out in the attached covering letter.
- ix. The permit holder must not assign, sublicense or transfer the permit without the Commission's written consent.
- x. The permit holder must notify the Commission 48 hours prior to commencing construction.
- xi. This permit expires two years from the date of issuance.
- xii. Within 60 days of the completion of the clearing phase of the activity authorized, the permit holder must submit to the Commission a Post-construction plan as an ePass shape file identifying the location of the total area cleared under this permit.

Cutting Permit under Master Licence to Cut under section 47.4 of the Forest Act

1. The Commission hereby issues Cutting Permit No. 1 under Master Licence to Cut number M02304, Forest District KALUM, subject to the following conditions:
 - a. This Cutting Permit applies to only the Crown Land portion of the construction plan associated with this Permit (construction plan number JOB: 3111-01197-16-2, DRAWING: 01197-16-2SK2, dated November 12, 2011).
 - b. All harvested Crown timber must be marked with Timber Mark Number MSZ 021.
 - c. This Cutting Permit expires on May 31, 2016 unless extended by the Commission.
 - d. This Cutting Permit is subject to the terms and conditions in the Master Licence to Cut.
 - e. The felling, bucking and utilization specifications in the Master License to Cut apply to this Cutting Permit.
 - f. Stumpage under this cutting permit is required to be paid to the Crown and will be determined with the Ministry of Forests Interior Appraisal Manual.
 - g. Timber that is stored in decks or piles must be marked with the correct timber mark before transportation, or at the end of every shift. The marking must be applied to one end of at least 10% of the timber pieces in each deck or pile using a hammer indentation or paint. Marking must be kept concurrent with decking.
 - h. In accordance with the Master Licence to Cut referenced above, "Within 60 days of completing operations on a cutting permit, the Licensee shall submit to the Commission a map showing all disturbances that have occurred pursuant to that Cutting Permit, at a scale of 1:20,000 or 1:50,000."
 - i. All merchantable timber under this permit must be utilized and all volumes utilized must be reported to the Commission within 60 days of completion of the clearing phase of the activity.

ADDITIONAL CONDITIONS

1. No construction activities are authorized in the vicinity of archaeology site FiTe-17 without the issuance of a site alteration permit, pursuant to the terms under Section 12 of the Heritage Conservation Act and as approved by the Commission.

2. In the event a heritage site, heritage object, or any other feature, place or material that may contain historical or archaeological value as defined by the Heritage Conservation Act [RSBC 1996] Chapter 187 is encountered, the permit holder must cease disturbance activities and immediately notify the Oil and Gas Commission.



Lori Phillips
Authorized Signatory
Commission Delegated Decision Maker

pc. OGC File: 9636093
MoFLNRO, Kalum Forest District
OGC, First Nations (Haisla Nation)

**SKETCH PLAN SHOWING
PROPOSED WEST LOGISTICS STORAGE SITE
WITHIN UNIT 11, BLOCK K,
GROUP 103-H-15
UNSURVEYED CROWN LAND
RANGE 4 COAST DISTRICT**

BCGS: 103H . 097

SCALE 1:1000



KM LNG OPERATING LTD.

AREAS (MAXIMUM DISTURBANCE):

	<u>NEW CUT</u>	<u>EXISTING CLEARING</u>	<u>TOTAL</u>
STORAGE SITE =	1.06 ha	0.00 ha	1.06 ha / 2.62 Ac
TOTAL DISTURBANCE =	1.06 ha	0.00 ha	1.06 ha / 2.62 Ac

9636138

Maximum Elevation = 60m±
Maximum Slope = 35% ±

ALL DIMENSIONS ARE IN METRES AND DECIMALS THEREOF.
COORDINATES SHOWN ARE NAD 83 (CSRS) UTM ZONE 9.

EPASS: 10036687

REVISION	DESCRIPTION	DD/MM/YY
0	ORIGINAL PLAN PREPARED	12/11/11

DRAWING: 01197-16-2SK2

JOB: 3111-01197-16-2

DRAWN BY : ACP

PARTY CHIEF :

CHECKED BY : SPD

REVISION : 0

McELHANNEY GEOMATICS

Professional Land Surveying Ltd.

8808 - 72nd Street

Fort St. John, British Columbia

Phone:(250)787-0356, Fax:(250)787-0310



McElhanney

LOT 2-1 CLSR PLAN 97774

LOT 1
CLSR
PLAN 96252

LOT 4
CLSR
PLAN
96252

IR 6

BEES

PROPOSED ACCESS (See McElhanney Dwg. 734-06-C2)

UNSURVEYED

11

CROWN

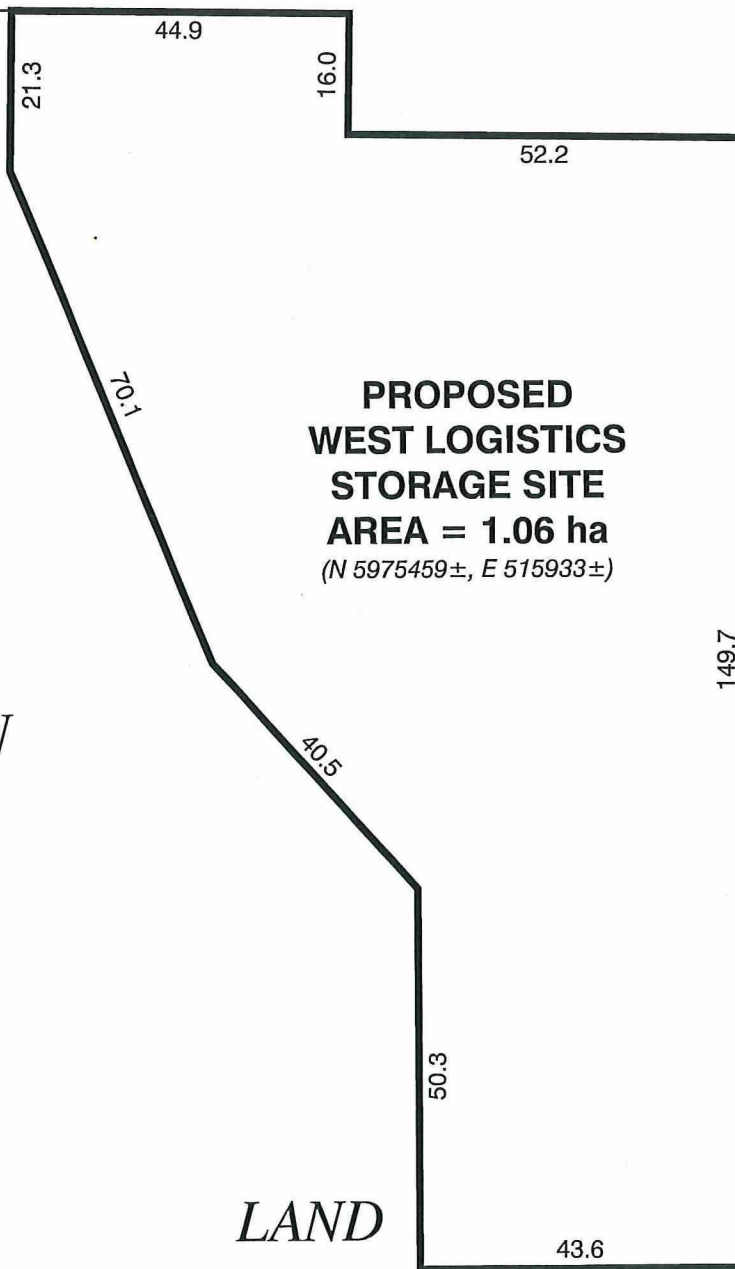
LAND

BLOCK K,

GROUP

103--H--15

**PROPOSED
WEST LOGISTICS
STORAGE SITE
AREA = 1.06 ha
(N 5975459±, E 515933±)**





June 7, 2012

KM LNG Operating Ltd.
Suite 1000, 700 - 9th Avenue SW
Calgary, Alberta
T2P 3V4

Attention: Bob Maxwell

RE: Temporary Occupation of Crown Land - Storage Permit
Storage Location: A-011-K/103-H-15
Date of Issuance: June 7, 2012
Commission File No: 9636138

AUTHORIZATIONS

Temporary Occupation of Crown Land Permit under section 14 of the Land Act

1. The Oil and Gas Commission hereby authorizes the holder of permit number 9636138, under section 14 of the Land Act, to temporarily occupy and use Crown land for the purpose of constructing and operating a Storage, under Authorization Number 937075, subject to the following:
 - i. The authorization granted under this permit is limited to the area described in construction plan number JOB: 3111-01197-16-2, DRAWING: 01197-16-2SK2, dated November 12, 2011 as submitted to the Commission in the permit application dated January 6, 2012.
 - ii. In the event a heritage site, heritage object, or any other feature, place or material that may contain historical or archaeological value as defined by the Heritage Conservation Act [RSBC 1996] Chapter 187 is encountered, the permit holder must cease disturbance activities and immediately notify the Oil and Gas Commission.
 - iii. The permit holder will indemnify the Province of British Columbia (the "Province") and the Commission against all losses, damages, costs, and liabilities arising out of any breach or non-performance of any condition or agreement set out in this permit, and any personal injury, death or property damage occurring on the site or happening by virtue of the permit holder's occupation of the site, and the amount of such losses, damages and costs shall be payable to the Province or the Commission immediately.
 - iv. The permit holder will immediately effect, and keep in force while occupying the site, insurance of an amount not less than \$1,000,000 protecting the Province, the Commission and the permit holder (without any rights of cross-claim or subrogation) against claims for personal injury, death, property damage, or third party or public liability claims arising from any accident or occurrence on the site.
 - v. The authorization to occupy and use Crown land does not entitle the permit holder to exclusive possession of the area. The permit holder will not interfere with the activities of another person entering on and using the area under a prior or subsequent Land Act disposition.
 - vi. The rights granted by this permit are subject to all subsisting grants to or rights of any person made or acquired under the Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Water Act or Wildlife Act, or any extension or renewal of the same, any prior dispositions made under the Land Act, and the exceptions and reservations of rights and interests under Section 50 of the Land Act.
 - vii. The permit holder will acknowledge and agree that any interference with rights granted under this permit by virtue of the exercise or operation of the rights or interests set out in Sections (v) or (vi) above shall not constitute a breach of the Province's or the Commission's obligations under this permit and the permit holder will release and discharge the Province and/or the Commission from any claim for loss or damage arising directly or indirectly out of any such interference. The permit holder will also agree to pay all costs and expenses that arise out of the permit holder's interference with the rights or interests set out in Sections (v) or (vi) and that the permit holder will not commence or maintain proceedings under Section 65 of the Land Act with respect to interference with the permit holder's rights arising out of exercise or operation of the rights set out in Sections (v) or (vi).

- viii. The permit holder must pay, when due, the Fees to the address set out in the attached covering letter.
- ix. The permit holder must not assign, sublicense or transfer this Permit without our written consent.
- x. The permit holder must notify the Commission 48 hours prior to commencing construction.
- xi. This permit expires two years from the date of issuance.
- xii. Within 60 days of the completion of the clearing phase of the activity authorized, the permit holder must submit to the Commission a Post-construction plan as an ePASS shape file identifying the location of the total area actually cleared under this permit.

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 - i. This Cutting Permit applies to only the Crown Land portion of the construction plan associated with this Storage Permit (construction plan number JOB: 3111-01197-16-2, DRAWING: 01197-16-2SK2, dated November 12, 2011).
 - ii. All harvested Crown timber must be marked with Timber Mark Number MSZ 021.
 - iii. This Cutting Permit expires 2 years from the date of issuance of the Storage Permit or the revised date should this permit be extended.
 - iv. This Cutting Permit is subject to the terms and conditions in the Master Licence to Cut.
 - v. The felling, bucking and utilization specifications in the Master Licence to Cut apply to this Cutting Permit.
 - vi. Stumpage is required to be paid under this cutting permit and will be calculated on the gross project area. The amount will be determined upon submission of final as-cleared plans to the Commission and in accordance with the Ministry of Forests Interior Appraisal Manual.
 - vii. Timber that is stored in decks or piles must be marked with the correct timber mark before transportation, or at the end of every shift. The marking must be applied to one end of at least 10% of the timber pieces in each deck or pile using a hammer indentation or paint. Marking must be kept concurrent with decking.
 - viii. In accordance with the Master Licence to Cut referenced above, "Within 60 days of completing operations on a Cutting Permit, the Licencee shall submit to the Commission a map showing all disturbances that have occurred pursuant to that Cutting Permit, at a scale of 1:20,000 or 1:50,000."
 - vix. All merchantable timber under this permit must be utilized and all volumes utilized must be reported to the Commission within 60 days of completion of the clearing phase of the activity.

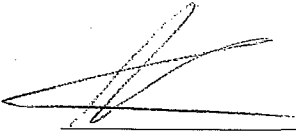
ADDITIONAL CONDITIONS

- 1 No construction activities are authorized in the vicinity of archaeology site FiTe-17 without the issuance of a site alteration permit, pursuant to the terms under Section 12 of the Heritage Conservation Act and as approved by the Commission.

In the event a heritage site, heritage object, or any other feature, place or material that may contain historical or archaeological value as defined by the Heritage Conservation Act [RSBC 1996] Chapter 187 is encountered, the permit holder must cease disturbance activities and immediately notify the Oil and Gas Commission.

Approval Of Application: KM LNG Operating Ltd.

June 7, 2012



Ryan Stark
Natural Resources Officer
Permitting and Authorizations - Operations Division