

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 - Powerline Permit

Powerline Location:

UTM Zone 9 Northing 5975906 Easting 516472 to UTM Zone 9 Northing 5975629 Easting 516300 UTM Zone 9 Northing 5975964 Easting 516355 to UTM Zone 9 Northing 5975869 Easting 516404

Date of Issuance: June 1, 2014 Commission File No: 9636165

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 9636165, 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 944547, subject to the following:
 - The authorization granted under this permit is limited to the area described in construction plan number JOB: 3111-01197-16-1, DRAWING: 01197-16-1SK3, SHEET 1 of 1, REVISION 0, dated December 6, 2011 completed by McElhanney Geomatics Professional Land Surveying Ltd., as submitted to the Commission in the permit application dated January 12, 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.

24 Hour: (250) 794-5200

Ancillary Permit: 9636165 Date: June 1, 2014

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, sublicence 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.

ADDITIONAL CONDITIONS

- a. The Permit Holder must ensure no construction activities occur within 150m of Bish Creek between April 15 to June 15, and between September 1 to October 31.
 - b. The Permit Holder must cease all construction activities when large mammals are observed within 100m of the project area.

Lori Phillips

Authorized Signatory

Commission Delegated Decision Maker

pc. OGC File: 9636165

MoFLNRO, Kalum Forest District OGC, First Nations (Haisla Nation)



June 13, 2012

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

Attention: Bob Maxwell

RE: Temporary Occupation of Crown Land - Powerline Permit

Powerline Location: UTM Zone 09 Northing 5975906 Easting 516472 to UTM Zone 09 Northing 5975629 Easting

516300

UTM Zone 09 Northing 5975964 Easting 516355 to UTM Zone 09 Northing 5975869 Easting 516404

Date of Issuance: June 13, 2012

Commission File No: 9636165

AUTHORIZATIONS

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

- The Oil and Gas Commission hereby authorizes the holder of permit number 9636165, under section 14 of the Land Act, to temporary occupy and use Crown land for the purpose of constructing and operating a Powerline, under Authorization Number 937194, subject to the following:
 - i. The authorization granted under this permit is limited to the area described in construction plan number Job: 3111-01197-16-1, Drawing: 01197-16-1SK3, Sheet 1 of 1, Rev. 0, dated December 6, 2011 as submitted to the Commission in the permit application dated January 12, 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.

Telephone: (250) 794-5200

Approval Of Application: KM LNG Operating Ltd.

June 13, 2012

- 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, sublicence 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.

ADDITIONAL CONDITIONS

- 1 a. The Permit Holder must ensure no construction activities occur within 150m of Bish Creek between April 15 to June 15, and between September 1 to October 31.
 - b. The Permit Holder must cease all construction activities when large mammals are observed within 100m of the project area.

Ryan Stark

Natural Resources Officer

Permitting and Authorizations - Operations Division

OGC File: 9636165

