



OGC File: 9636459

February 10, 2015

KM LNG Operating Ltd.  
500, 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0L7

Attention: Surface Land Administrator

Re: Amendment to Storage Permit - Section 14 over Crown Land within the Haisla Lease Agreement Area, Range 4 Coast District within Unit 21, Block K.

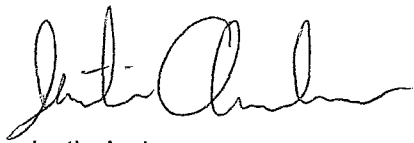
KM LNG Operating Ltd. (the permit holder) is permitted, under Section 14 of the *Land Act* to enter onto Crown Land within the Haisla Lease Agreement Area as per the attached plans, called 'the site' in this Permit, for a period of two years from the date of approval, under Authorization Number 940296.

This project is approved subject to the following conditions:

1. The permit is amended to decrease the area of disturbance by 0.20 ha to a total area of 1.72 ha of Crown Land within the Haisla Lease Agreement Area as per attached sketch plan: JOB: 3111-21360, DRAWING: 21360SK1, Revision 6.
2. The permit holder indemnifies the Province of British Columbia (the Province) and the Oil and Gas 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 your occupation of the site, and the amount of such losses, damages and costs shall be payable to the Province or the Oil and Gas Commission immediately.
3. 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.
4. The permit holder will restore the site to the satisfaction of the Commission following expiration or cancellation of this Permit.
5. 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.
6. The rights granted by this permit area 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.

7. 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 the Sections (6) or (7) 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 (6) or (7) 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 (6) or (7).
8. The permit holder must pay, when due, the Fees to the address set out in the attached covering letter.
9. The permit holder must not assign or sub-tenure this Permit. The permit holder must not transfer this permit without the Commission's written consent, which consent may be granted or withheld at the Commission's sole discretion.
10. This permit expires two years from the date of issuance.
11. The permit holder must notify the Commission 48 hours prior to commencing construction. Notification may be sent to [C&E@bcogc.ca](mailto:C&E@bcogc.ca).
12. 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 accurately identifying the locations of the overall disturbance within the Site.
13. The permit holder must abide by and comply with all applicable laws, bylaws, orders, directions, ordinances, and regulations of any government authority having jurisdiction in any way affecting its use or occupation of the Site, including, without limitation, the provisions of the Land Act and the provisions of this Permit.
14. If artifacts, features, materials or things protected under section 13(2) of the Heritage Conservation Act are identified the permit holder must, unless the permit holder holds a permit under section 12 of the Heritage Conservation Act issued by the Commission in respect of that artifact, feature, material or thing:
  - a. immediately cease all work in the vicinity of the artifacts, features, materials or things;
  - b. immediately notify the Commission and the Archaeology Branch of the Ministry of Forests, Lands and Natural Resource Operations
  - c. refrain from resuming work in the vicinity of the artifacts, features, materials or things except in accordance with an appropriate mitigation plan that has been prepared in accordance with the Heritage Conservation Act and approved by the Commission.

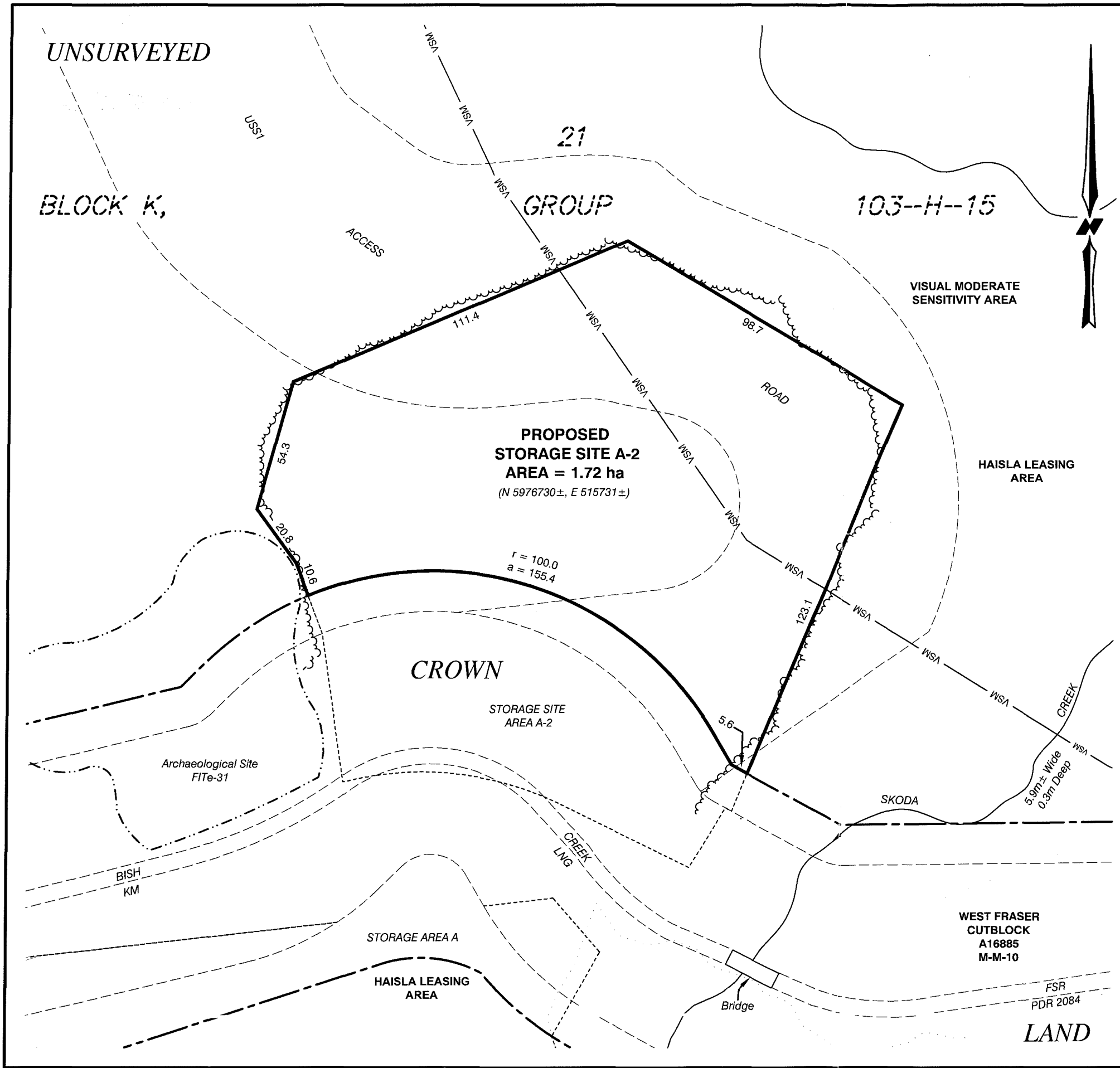
The attached plan(s) form an integral part of this authorization.

A handwritten signature in black ink, appearing to read 'Justin Anderson', with a stylized, cursive script.

Justin Anderson  
Natural Resource Officer

pc: Haisla Nation  
pc: Scott Land and Lease

9636459



**SKETCH PLAN SHOWING  
PROPOSED STORAGE SITE  
WITHIN UNIT 21, BLOCK K,  
GROUP 103-H-15  
UNSURVEYED CROWN LAND,  
HAISLA LEASING AREA  
RANGE 4 COAST DISTRICT**

BCGS 103H . 097

SCALE 1:1250



**KM LNG OPERATING LTD.**

REFERENCE TABLE OF AREA REQUIRED			
HAISLA LEASING AREA	NEW CUT	EXISTING	TOTAL
STORAGE SITE	0.00 ha	1.72 ha	1.72 ha
TOTAL =	0.00 ha	1.72 ha	1.72 ha
TOTAL DISTURBANCE = 1.72 ha			

Maximum Elevation = 60m±  
Maximum Slope = 20% ±  
ALL DIMENSIONS ARE IN METRES AND DECIMALS THEREOF.  
ALL COORDINATES SHOWN ARE FOR THE CENTROID  
SHOWN IN NAD 83 (CSRS) UTM ZONE 9.

**LEGEND :**

Cutblock Boundary shown thus :  
Visual Moderate Sensitivity Area shown thus : ——— VSM ——— VSM ———  
Mineral Tenure shown thus :  
Haisla Leasing Boundary Area shown thus :  
Archaeological Site shown thus :  
Tree Line shown thus :

6	UPDATED SURVEYED TREE LINE	19/01/15
5	REVISED STORAGE SITE AREA AND UPDATED PLAN	12/11/13
4	REVISED AREA	13/05/13
3	REVISED AREA	03/05/13
2	REVISED AREA	19/12/12
1	REVISED AREA	21/11/12
0	ORIGINAL PLAN PREPARED	26/01/12
REVISION	DESCRIPTION	DD/MM/YY

DRAWING: 21360SK1

JOB: 3111-21360

EPASS: 10041066

DRAWN BY : LMF/MAL

PARTY CHIEF :

CHECKED BY : EH

REVISION : 6

McELHANNEY GEOMATICS

Professional Land Surveying Ltd.

8808 - 72nd Street

Fort St. John, British Columbia

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

McElhanney



OGC File: 9636459

February 15, 2013

KM LNG Operating Ltd.  
1000, 700 – 9<sup>th</sup> Ave SW  
Calgary, Alberta T2P 3V4

Attention: Surface Land Administrator

Re: Storage Area - Section 14 over Crown Land, Peace River District  
within unit 21, Block K, 103-H-15

The Oil and Gas Commission hereby authorizes the holder of permit number 9635367, 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 940296, subject to the following:

1. The authorization granted under this permit is limited to the area described in construction plan number JOB: 3111-21360; DRAWING: 21360SK1, REV2, dated December 19, 2012 as submitted to the in the permit application dated February 5, 2013.
2. The permit holder will indemnify the Province of British Columbia (the "Province") and the Oil and Gas 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 your occupation of the site, and the amount of such losses, damages and costs shall be payable to the Province or the Oil and Gas Commission immediately.
3. 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.
4. You will restore the site to the satisfaction of the Oil and Gas Commission following expiration or cancellation of this Permit.
5. 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 are under a prior or subsequent Land Act disposition.
6. 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.

7. In the event that 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.
8. 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 (5) or (6) 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 claims 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 (5) or (6) 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 (5) or (6).
9. The permit holder must pay, when due, the Fees to the address set out in that attached covering letter.
10. The permit holder must not assign, sublicense or transfer this Permit without our written consent.
11. This permit expires two years from the date of issuance.
12. 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.
13. The permit holder must notify the Commission prior to commencing construction.
14. Pursuant to the *Forest and Range Practices Act*, approval is hereby granted to cut and remove timber from the areas of Crown land within the area that is designated on the construction plan.

Master License to Cut No.: M02304  
Cutting Permit No.: 7  
Timber Mark No.: MSZ 717  
Kalum Forest District

15. This Cutting Permit expires February 14, 2015. The Oil and Gas Commission must be contacted and approval obtained prior to any changes to the attached Construction Plan.
16. This Cutting Permit is subject to the terms and conditions in the Master Licence to Cut.
17. The felling, bucking and utilization specifications in the Master License to Cut apply to this Cutting Permit.
18. Stumpage required to be paid under this cutting permit will be calculated using a tabular stumpage rate. A tabular stumpage rate must be obtained from the Ministry of Forest, Land and Natural Resource Operations prior to transporting timber out of the project area.
19. 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.

20. 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."
21. All merchantable timber under this permit must be utilized where operationally feasible and all volumes utilized must be reported to the Oil and Gas Commission within 60 days of completion of the clearing phase of the activity.
22. Prior to harvesting, any clearing authorized by this Cutting Permit must be clearly defined on the ground by ribboning or blazing.

Additional Conditions:

1. No construction activities are authorized in the vicinity of archaeology site FITe-31 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.

The attached plan(s) form an integral part of this authorization.



Ryan Stark  
Natural Resource Officer

pc: FLNRO – Kalum  
pc: Haisla Nation



BLOCK K,

21

GROUP

103--H--15



**SKETCH PLAN SHOWING  
PROPOSED STORAGE SITE  
WITHIN UNIT 21, BLOCK K,  
GROUP 103-H-15  
UNSURVEYED CROWN LAND  
COAST DISTRICT**

BCGS 103H . 097

SCALE 1:1250



KM LNG OPERATING LTD.

AREAS (MAXIMUM DISTURBANCE):

	<u>NEW CUT</u>	<u>EXISTING CLEARING</u>	<u>TOTAL</u>
STORAGE SITE =	1.92 ha	0.00 ha	1.92 ha
TOTAL DISTURBANCE =	1.92 ha	0.00 ha	1.92 ha

Maximum Elevation = 60m±  
Maximum Slope = 20% ±

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

EPASS: 10041066

2	REVISED AREA	19/12/12
1	REVISED AREA	21/11/12
0	ORIGINAL PLAN PREPARED	26/01/12
REVISION	DESCRIPTION	DD/MM/YY

DRAWING: 21360SK1

JOB: 3111-21360

DRAWN BY : LMF/MAL

PARTY CHIEF :

CHECKED BY : EH

REVISION : 0

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**McElhanney**

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STORAGE AREA