



August 28, 2012

Pacific Trail Pipelines Management Inc.  
#1000, 700 - 9th Avenue S.W.

Calgary, Alberta  
T2P 3V4

Attention: Bob Maxwell

**RE: Temporary Occupation of Crown Land - Storage Permit**  
**Storage Location: Within Unit 52, Block A, 103-I-07**  
**Date of Issuance: August 28, 2012**  
**Commission File No: 9636609**

## 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 9636609, 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 938796, subject to the following:
  - i. The authorization granted under this permit is limited to the area described in construction plan number CAN-AM FILE: N20120154, CAD FILE: N20120154SK11, Rev. 1, dated May 14, 2012 as submitted to the Commission in the permit application dated April 24, 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.

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

1. The Commission hereby issues Cutting Permit No. 11, under Master Licence to Cut number M02280, Forest District KALUM subject to the following conditions:
  - i. This Cutting Permit applies to only the Crown Land portion of the construction plan associated with this Storage Permit (construction plan number CAN-AM FILE: N20120154, CAD FILE: N20120154SK11, Rev. 1, dated May 14, 2012).
  - ii. All harvested Crown timber must be marked with Timber Mark Number MSZ 367.
  - 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.

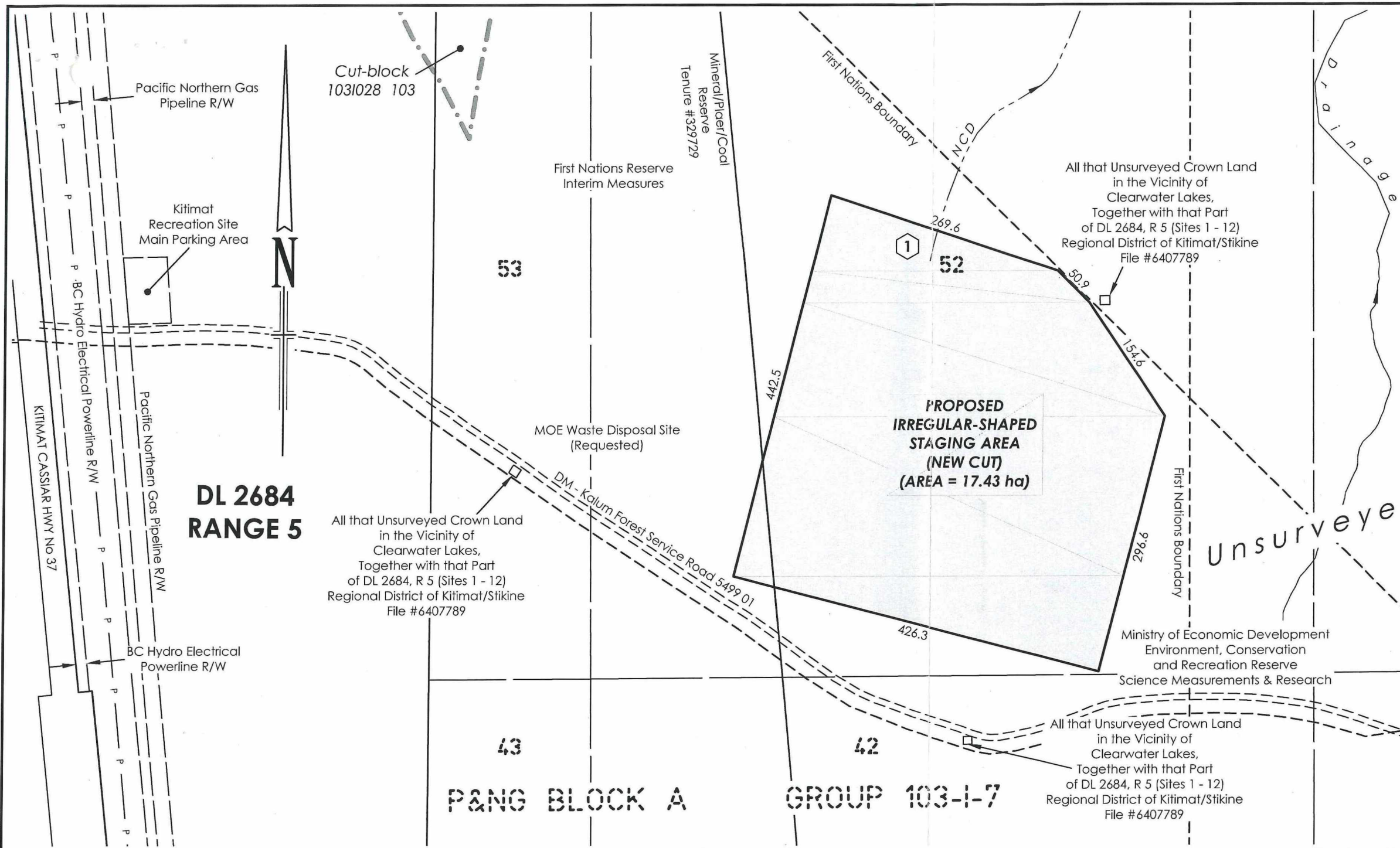
#### **ADDITIONAL CONDITIONS**

- 1 The Permit Holder must adhere to all terms and conditions in all approved and subsequent environmental certificate amendments.
- 2 The Permit Holder must not damage or interfere with the installation and operation of ground water monitoring wells within the license of occupation, Crown land file number 6407789.
- 3 The Permit Holder will conduct pre-construction surveys to identify rare plants and ecosystems as well as wildlife habitat features. If these resources are identified, the proponent is to stop work and contact the Commission immediately.

A handwritten signature in black ink that reads "Glen Swanson". The signature is written in a cursive style and is positioned above a horizontal line.

Glen Swanson  
Operations Manager  
Permitting and Authorizations - Operations Division





PROPOSED PROJECT AREAS REQUIRED			
FEATURE	NEW CUT	TOTAL	
Staging Area	17.43 ha	43.07 ac	17.43 ha 43.07 ac
<b>TOTAL AREA REQ'D</b>	<b>17.43ha</b>	<b>43.07ac</b>	<b>17.43ha 43.07ac</b>
Maximum Elevation			200m ±
Maximum Slope			1 %
The proposed Site does not fall within the Agricultural Land Reserve (A.L.R.)			
Site to be flagged prior to construction.			
<b>Source of Volume Estimate:</b> Forest Cover Maps (VRI Data)			
<b>Volume Summary of Merchantable Timber (estimated)</b>			
Coniferous	2763.4m <sup>3</sup>	Deciduous	0.0m <sup>3</sup>
<b>Volume Summary of Non-Merchantable Timber (estimated)</b>			
Coniferous	552.7m <sup>3</sup>	Deciduous	0.0m <sup>3</sup>
Project is within the South OGC Zone.			
<b>AUXILIARY CO-ORDINATES NAD 83 UTM</b>			
DESCRIPTION	NORTHING	EASTING	
Staging Area	6016327	531224	
All Co-ordinates are NAD83 Zone 9 UTM			

**DL 2684  
RANGE 5**

All that Unsurveyed Crown Land in the Vicinity of Clearwater Lakes, Together with that Part of DL 2684, R 5 (Sites 1 - 12) Regional District of Kitimat/Stikine File #6407789

**PROPOSED  
IRREGULAR-SHAPED  
STAGING AREA  
(NEW CUT)  
(AREA = 17.43 ha)**

Unsurveyed

Crown



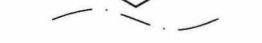

Land

**TABLE OF CROSSINGS**

No.	DESCRIPTION	NORTHING	EASTING	OWNER	DWG No.
1	NCD	6016543	531189	N/A	N/A

No.	REVISIONS	BY	DATE (YY/MM/DD)	CKD
0	Original Plan Issued	JMS	12/04/04	BP
1	Stockpile shape revised/Name changed	JMS	12/05/14	BP

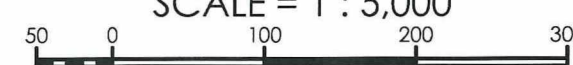
**NOTES:**  
All underground facilities shown were located with electronic locators and may be subject to error. Actual locations should be verified independently by the contractor in field prior to any crossings.

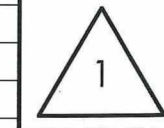
**LEGEND:**  
A.L.R. boundary shown thus:   
Crossing Numbers shown thus:   
Vegetation Change shown thus:   
Buried Pipe shown thus: 

**PACIFIC TRAIL PIPELINES MANAGEMENT INC.**

**SKETCH PLAN SHOWING PROPOSED  
KM426 STAGING AREA  
IN  
UNIT 52, BLOCK A, 103-1-7**

**can-am geomatics**  
can-am geomatics bc Phone: 250.774.7881  
Fort Nelson, B.C. Toll Free: 1.877.870.7881  
www.canam.com Fax: 250.774.7882

BCGS 1031.028  
**SCALE = 1 : 5,000**  
  
SHEET 1 OF 1

<b>FIELD:</b>	 <b>REVISION</b>
<b>CAN-AM FILE: N20120154</b>	
CLIENT FILE:	
AFE No.:	
CAD FILE: N20120154SKI1	
LAND FILE:	
DATE: 12/04/04	
EPASS: 10038569	