



OGC File: 9638363

October 8, 2013

Pacific Trail Pipelines Management Inc.
Suite 2800, 421-7th Ave SW
Calgary, Alberta, T2P 4K9

Attention: Surface Land Administrator

Re: Borrow pit, Camp Site, Storage Site and Staging Area Permit- Section 14 over Crown Land,
Range 5 Coast District, within Units 56, 57, 66, & 67, Block J, 103-I-1.

Date of Issuance: October 8, 2013
Commission File No: 9638363
Applicant File No: PTP-0001 (Hunter Creek)

PERMISSIONS

The Oil and Gas Commission ("Commission") hereby authorizes the holder of permit number 9638363, under section 14 of the *Land Act*, to allow Pacific Trail Pipelines Management Inc. (the "permit holder") to occupy Crown land within the areas described as Hunter Creek Multi-Use Site in the attached sketch CAN-AM FILE No. N20120154, CAD FILE No. N20120154SK00, Revision 0, dated May 14, 2013 as submitted to the Commission in the permit application dated July 15, 2013 (hereinafter referenced together as the "Site"), to construct and operate a Borrow Pit, Camp Site, Storage Site and Staging Area under Authorization Number 941432, subject to conditions set out below.

CONDITIONS

1. The permit holder may use and occupy the Site only for the purposes of purpose of constructing and operating a Borrow Pit, Camp Site, Storage Site and Staging Area for potential oil and gas activities and related activities as defined in the *Oil and Gas Activities Act*.
2. Aggregate operations associated with this permit are considered a mining activity under the *Mines Act*. The Permit holder must obtain authorization from the Ministry of Energy, Mines and Natural Gas prior to the commencement of operations.
3. The total disturbance within the Site must not exceed 37.51 Ha.
4. 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 within the Site, or happening by virtue of its 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.

5. The permit holder will immediately effect, and keep in force while this Permit is in effect, 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.
6. The permit holder will restore the site to the satisfaction of the Oil and Gas Commission following expiration or cancellation of this Permit.
7. The authorization to occupy and use Crown land does not entitle the permit holder to exclusive possession of the Site. The permit holder will not interfere with any person found on the Site who has a public right of access over the Site or is using the Site pursuant to a prior or subsequent *Land Act* disposition.
8. 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*.
9. 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).
10. The permit holder must pay to the Province, when due, the Fees to the address and in accordance with the instructions set out in the attached covering letter.
11. 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.
12. This permit expires two years from the date of issuance.
13. The permit holder must notify the Commission prior to commencing activities under this permit. Notification may be sent to C&E@bcogc.ca.
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 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 Archaeology Branch of FLRNO and the Commission; and

- 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 the Heritage Conservation Act, endorsed by a qualified archaeologist, and approved by the Archaeology Branch.
- 15. If a Culturally Modified Tree, other than a Culturally Modified Tree that is considered an artifact, feature, material or thing protected under section 13(2) of the Heritage Conservation Act, is identified, the permit holder must:
 - a. immediately cease all work in the vicinity of the Culturally Modified Tree;
 - b. immediately notify the Archaeology Branch and the Commission; and
 - c. refrain from resuming work in the vicinity of the Culturally Modified Tree except in accordance with an appropriate mitigation plan that has been approved by the Archaeology Branch.
- 16. 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.
- 17. 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.
- 18. Material excavated under this permit will not be produced for "sale" to or used by any party other than the permit holder.
- 19. The permit holder will report to the Commission on a quarterly basis, and/or upon completion of operations, the total volume excavated to date.
- 20. Responsibility for and declaration of materials removed lies solely with the permit holder. In the event of a discrepancy in relation to the total volume of materials removed, the permit holder shall, at the request of the Province of British Columbia and/or the Commission, conduct a survey by a British Columbia Land Surveyor to determine the volume of materials removed. This survey will be at the proponent's expense.
- 21. The total volume of material extracted from this site must be reported to the Commission upon completion of the project.
- 22. The permit holder will notify the Commission upon completion of final activities, including reclamation.

CUTTING PERMIT AUTHORIZATION

Pursuant to section 47.4 of the *Forest Act*, the Commission hereby issues Cutting Permit No. 28, under Master License to Cut number M02280, Kalum Forest District, to cut and remove timber from the areas of Crown land within the area within the Site subject to the following conditions:

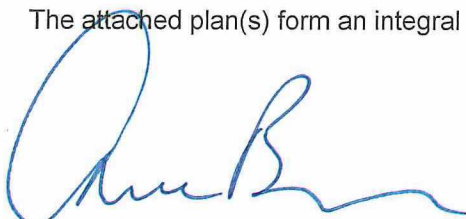
1. This Cutting Permit expires 2 years from the date of issuance of the Investigative Permit or the revised date should this permit be extended.
2. This Cutting Permit is subject to the terms and conditions in the Master Licence to Cut.
3. All harvested Crown timber must be marked with Timber Mark Number MSZ 997.
4. The felling, bucking and utilization specifications in the Master License to Cut apply to this Cutting Permit.
5. 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.
6. 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.
7. 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."
8. 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.
9. Prior to harvesting, any clearing authorized by this Cutting Permit must be clearly defined on the ground by ribboning or blazing.
10. This permit authorizes a maximum total new cut area of 37.51 Ha within the Site.

ADDITIONAL CONDITIONS

1. New cut is not permitted within any Old Growth Management Area.
2. In all locations where run-off from the permitted area may flow into a watercourse, the permit holder must contour and stabilize banks and approach slopes and install temporary berms, silt fences, or cross ditches as appropriate.
3. The Permit holder is advised that a Conservation Data Centre (CDC) rare species occurrence polygon (blue listed Coastal tailed Frog) exists within the program area. Polygon data can be viewed on the Terrestrial Information of BC website at: <http://www.env.gov.bc.ca/cdc/access.html>. Questions about the polygon information presented on this website can be directed to the Conservation Data Centre at 1-800-663-7867.

4. Prior to commencing construction and clearing operations within coastal tailed frog habitat, the permit holder must make all reasonable efforts to capture and relocate all coastal tailed frogs within the project area.
5. Grubbing of the pipeline work area is not permitted within 10 meters of streams within coastal tailed frog habitat. Clearing of shrubs is to be minimized within 30 meters of these streams.
6. The permit holder must not undertake clearing within the migratory bird nesting period, April 1 to July 31, unless the area has been previously logged, brushed or mowed.
7. The permit holder must not undertake clearing or construction activities within 200 meters of an active grizzly bear or black bear den between November 1 and May 31.
8. No clearing or construction activities are to occur within 200m of mountain goat winter habitat between October 15 and May 15.
9. The permit holder must maintain open communication with the BC Ministry of Forests, Land, and Natural Resource Operations and adhere to any restrictions imposed by that Ministry pertaining to the management of beetle-killed wood.
10. Upon completion of construction of the pipeline, the permit holder must plant all temporary campsite, storage areas, staging areas, workspace areas, and areas cleared for, but not used as pipeline corridor, using appropriate seed and vegetative lots registered with BC Ministry of Forest, Land and Natural Resource Operations.
11. The Oil and Gas Commission recommends the Permit holder notify the Haisla Nation office prior to commencement of project.
12. The Oil and Gas Commission recommends the Permit holder notify the Kitselas First Nation office prior to commencement of project.

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



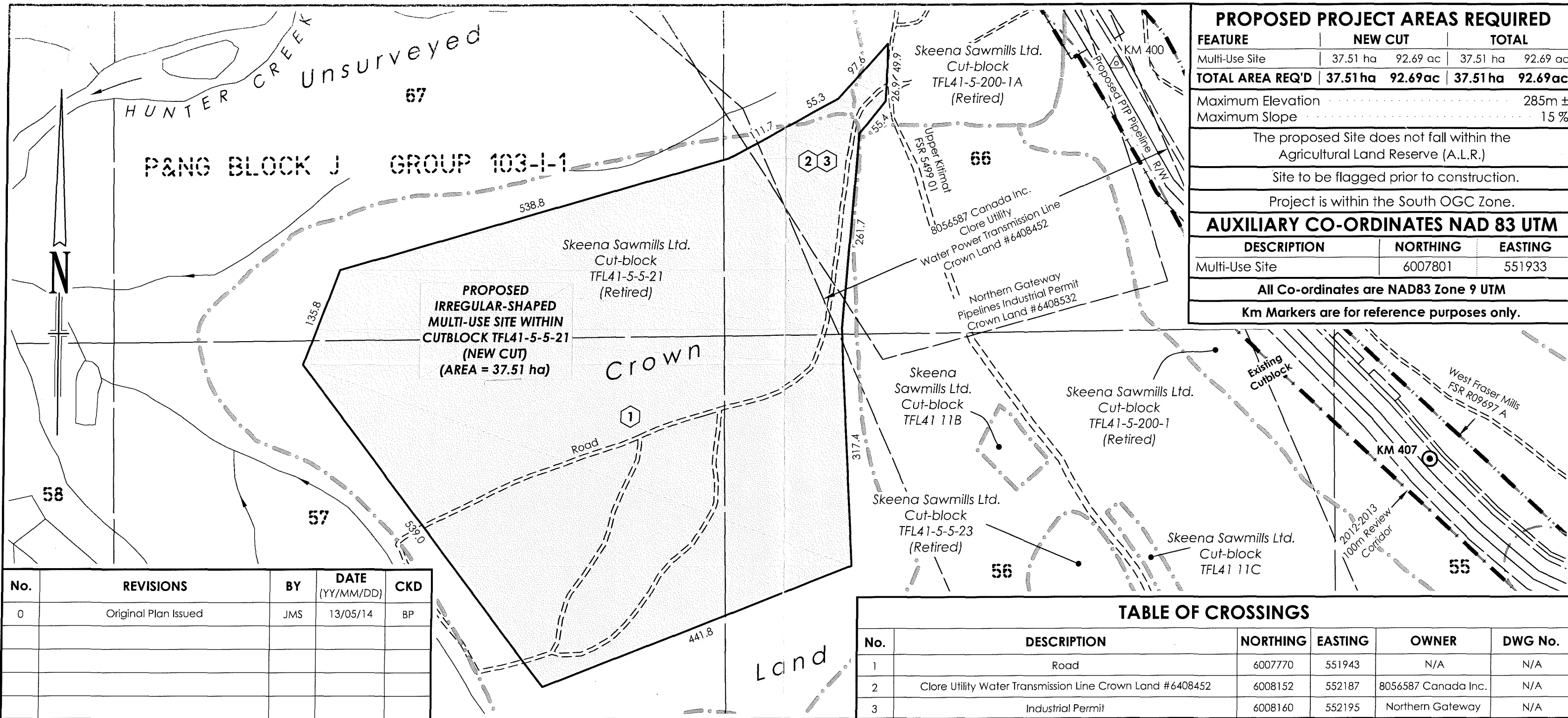
Amber Bergen
Natural Resource Officer

pc: Scott Land & Lease Ltd.

pc: digital copy to: Glen.Swanson@chevron.com; Brent.MacIntyre@chevron.com;
Ischoenenberger@scottland.ca

pc: FLNRO – Kalum

pc: Haisla Nation, Kitselas First Nation



PROPOSED PROJECT AREAS REQUIRED				
FEATURE	NEW CUT		TOTAL	
Multi-Use Site	37.51 ha	92.69 ac	37.51 ha	92.69 ac
TOTAL AREA REQ'D	37.51 ha	92.69 ac	37.51 ha	92.69 ac
Maximum Elevation				285m ±
Maximum Slope				15 %
The proposed Site does not fall within the Agricultural Land Reserve (A.L.R.)				
Site to be flagged prior to construction.				
Project is within the South OGC Zone.				
AUXILIARY CO-ORDINATES NAD 83 UTM				
DESCRIPTION	NORTHING		EASTING	
Multi-Use Site	6007801		551933	
All Co-ordinates are NAD83 Zone 9 UTM				
Km Markers are for reference purposes only.				

No.	REVISIONS	BY	DATE (YY/MM/DD)	CKD
0	Original Plan Issued	JMS	13/05/14	BP

TABLE OF CROSSINGS					
No.	DESCRIPTION	NORTHING	EASTING	OWNER	DWG No.
1	Road	6007770	551943	N/A	N/A
2	Clore Utility Water Transmission Line Crown Land #6408452	6008152	552187	8056587 Canada Inc.	N/A
3	Industrial Permit	6008160	552195	Northern Gateway	N/A

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. Plus chainages shown are horizontal distances measured along the surveyed boundary of the right-of-way.

LEGEND:
Drainage shown thus:
Seismic Line shown thus:
2012-2013 Review Corridor shown thus:
Vegetation Change shown thus:
2011-2012 Construction Corridor No Longer Required shown thus:
Logging Trail shown thus:

Crossing Numbers shown thus:
Forest Service Road shown thus:
Cut block/Woodlot boundary
Top of bank/break in slope
Community Forest boundary:
NVC - Non Visible Channel
2013 KM Markers shown thus:
2009-2012 KM Markers shown thus:

PACIFIC TRAIL PIPELINES MANAGEMENT INC.
SKETCH PLAN SHOWING PROPOSED HUNTER CREEK MULTI-USE SITE
IN 9638363
UNITS 56, 57, 66 & 67, BLOCK J, 103-I-1

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 103I.029, 103I.030
SCALE = 1 : 5,000

METRES
SHEET 1 OF 1

PACIFIC TRAIL PIPELINES
FIELD:
CAN-AM FILE: N20120154
CLIENT FILE:
AFE No.:
CAD FILE: N20120154SK00
LAND FILE:
DATE: 13/05/14
EPASS: 10042582

REVISION
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APPROVED BY

PROJECT MANAGER

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