

October 13, 2016

Prince Rupert Gas Transmission Ltd.
450 – 1st Street SW
Calgary, Alberta
T2P 5H1

Attention: Keri-Lynn Bruce

RE: Determination of Commission Number: 9642682

Permit Holder: Prince Rupert Gas Transmission Ltd.

Date of Issuance: October 13, 2016

Effective Date: October 13, 2016

Application Submitted Date: July 3, 2015

Commission File Number: 9642682

Approved Disturbance Footprint: 5.00 ha

GENERAL PERMISSIONS, AUTHORIZATIONS and CONDITIONS

Petroleum and Natural Gas Act

1. The BC Oil and Gas Commission (the "Commission") pursuant to section 138 of the *Petroleum and Natural Gas Act* hereby authorizes the Permit Holder referenced above to construct and operate a related activity(s) as set out in the applicable Permitted Activities, Authorized Activities, and Activity Details tables below for the purposes of carrying out oil and gas activities as defined in the *Oil and Gas Activities Act* (OGAA); subject to the conditions set out herein.

PERMITTED ACTIVITIES

2.

Associated Oil & Gas Activity No.: 9642682	Type: Sump
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3. The permissions and authorizations granted under this permit are limited to the area described in construction plan WSP File: 130403SK08R0, revision 0, Sheet 1 and 3, dated February 18, 2015 (the "construction plan") by WSP Surveys (BC) Limited Partnership as submitted to the Commission in the permit application dated July 3, 2015 (hereinafter referenced as the "operating area").
4. The Commission, pursuant to section 138(1) of the *Petroleum and Natural Gas Act*, hereby permits the occupation and use of any Crown land located within the activity area.
 - a) The permission to occupy and use Crown land expires two years from the date of issuance, unless the Commission has received notice of construction start, or this permit is otherwise extended, suspended, cancelled, surrendered or declared spent.
 - b) The permission to occupy and use Crown land does not entitle the Permit Holder to exclusive possession of the activity area.
 - c) The total disturbance within the activity area must not exceed the total approved disturbance footprint as referenced above.

Forest Act

5. The Commission, pursuant to section 47.4 of the *Forest Act*, hereby authorizes the removal of Crown timber from the activity area under the cutting permits associated with the Master Licence(s) as follows:

Master Licence to Cut No.: M02370

Cutting Permit No.: 18

Timber Mark No.: MTB 501

Total New Cut: 5.00ha

Forest District: *Peace Natural Resource District*

Region: *Interior*

6. The Cutting Permit(s) is deemed spent upon the submission of the post-construction plan or upon either the cancellation or expiry of the activities authorized by this permit.

CONDITIONS

Notification

7. A notice of construction start must be submitted prior to the commencement of activities under this permit 48 hours before or as per the relevant legislation if longer than 48 hours. Notification must be sent via eSubmission.
8. Within 60 days of the completion of construction activities under this permit, the Permit Holder must submit to the Commission a post-construction plan as a shapefile and PDF plan accurately identifying the location of the total area actually disturbed under this permit. The shapefile and plan must be submitted via eSubmission.
9. The permit holder must notify the Saulteau First Nations Lands Department office five (5) working days prior to commencement. Notification will be sent to Fernie Garbitt at fgarbitt@saulteau.com.
10. The permit holder will notify the Halfway River First Nation Lands Department office five (5) working days prior to project commencement. Notification will be sent via email to sfield@hrfn.ca and jachla@hrfn.ca.
11. In consideration of West Moberly First Nations, it is requested the Permit Holder notify the West Moberly First Nations Lands Use Department prior to project commencement.

General

12. The rights granted by this Permit in relation to unoccupied Crown land are subject to all subsisting grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Land Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Water Sustainability Act* or *Wildlife Act*, or any extension or renewal of the same.
13. The Permit Holder must not assign, sublicense or permit any person to use or occupy the land, other than its employees, contractors, or representatives, without the Commission's written consent.
14. The Permit Holder must ensure that the activity area is maintained in a condition so as to minimize hazards, including but not limited to hazards associated with storage of materials and equipment.
15. The Permit Holder must ensure that the activity area is free of garbage, debris and unused equipment.

Environmental

16. The permit holder must make reasonable efforts to prevent establishment of invasive plants on the activity area resulting from the carrying out of activities authorized under this approval.
17. Following completion of the construction activities authorized under this authorization the permit holder must, as soon as practicable,
 - a) decompact any soils compacted by the activity;
 - b) if natural surface drainage pattern was altered by the carrying out of the activity, the permit holder must restore, to the extent practicable, to the drainage pattern and its condition before the alteration; and
 - c) ensure re-vegetation of any exposed soil on the operating area including, where necessary, using seed or vegetative propagules of an ecologically suitable species that
 - i. promote the restoration of the wildlife habitat that existed on the operating area before the oil and gas activity was begun, and
 - ii. stabilize the soil if it is highly susceptible to erosion.
18. Following completion of the activities permitted under this permit, any surface soils removed from the operating area must be redistributed so that the soil structure is restored, to the extent practicable, to its condition before the activity was begun.
19. Drilling waste disposal, sump construction, registration, and decommissioning must be performed in accordance with the requirements of the British Columbia Oil and Gas Handbook Drilling Waste Management Chapter.
20. Prior to using the sump to store drilling waste, the Permit holder must either confirm that there exists between the base of the sump and any aquifer, a minimum of 5 vertical meters of undisturbed soil having a bulk hydraulic conductivity of less than or equal to 1.0×10^{-7} m/s, or obtain site specific approval to use the sump from the Director of Environmental Management and Reclamation.
21. Upon completion of activities authorized under this permit, the permit holder must restore any identifiable wildlife trails that were impacted by construction, to the level of access that existed prior to construction, if the location of the trail is made known to the permit holder by First Nations prior to the permit holder's notice of construction start.
22. The permit holder must undertake pre-clearing bird nest surveys, and where appropriate, implement mitigation and setbacks as per methods outlined in the Bird Nest Mitigation and Monitoring Plan (Appendix F-2 of the Construction Environmental Management Plan).
23. Clearing and site preparation must not occur within 100m of a mineral lick, including one identified at UTM 10 6204944.6N 564033.8E within Peace River Sump Site #1.
24. Peace River Sump Site #2 is not authorized under this permit.
25. This permit authorizes a maximum total disturbance within the operating area of 5.00 ha.

Clearing

26. The Permit Holder is authorized to fell any trees located on Crown land within 1.5 tree lengths of the activity area that are considered to be a safety hazard according to *Workers Compensation Act* regulations and must be felled in order to eliminate the hazard. Trees or portions of these trees that can be accessed from the activity area without causing damage to standing timber may be harvested.

27. The holder of the Cutting Permit must pay to the government, stumpage and any waste billing determined in accordance with the terms of this authorization.
28. The authorized Cutting Permit does not grant the Permit Holder the exclusive right to harvest Crown timber from the activity area. Authority to harvest some or all of the timber may be granted to other persons. The Permit Holder's right to harvest timber applies to any timber found on the site at the time they undertake harvesting activities.
29. All harvested Crown Timber must be marked with the Cutting Permit's associated Timber Mark.
30. Stumpage for cutting Permits falling within the Interior Area, as defined in the Interior Appraisal Manual (Manual) will be calculated in accordance with the Manual as amended from time to time. In the current version of the Manual, stumpage will be determined in accordance with Table 6-7 (area based)
31. Any waste assessments applied under the Master Licence to Cut are subject to the merchantability specifications and monetary waste billing requirements in the Provincial Logging Residue and Waste Manual specific to the region associated with the Cutting Permit authorization.

Agriculture Land Commission

32. The Permit holder must, in relation to oil and gas activities and related activities that are authorized herein and are located within the Agricultural Land Reserve adhere to the terms and conditions set out in the permission for non-farm use granted by Deputy Commissioner on January 11, 2016.

Archaeology

33. An Archaeological Impact Assessment (AIA) is required for the proposed development area prior to any development activities taking place.
34. An AIA report must be submitted to the Commission as soon as practicable.
35. 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 Archaeology Branch of the Ministry of Forests, Lands and Natural Resource Operations.

ADVISORY GUIDANCE

1. Unless a condition or its context suggests otherwise, terms used in this approval have the same meaning as the Environmental Protection and Management Regulation under the *Oil and Gas Activities Act*.
2. Appropriate tenure will be issued upon acceptance of the post-construction plan. Submission of the original application and submission of the post-construction plan is considered an application for all subsequent applicable *Land Act* tenures. Upon the Commission's acceptance of the post-construction plan no further applications for replacement tenure are required.

Permit Holder: Prince Rupert Gas Transmission Ltd.

Application Submission Date: July 3, 2015

Commission File Number: 9642682

Date Issued: October 13, 2016

Non-OGAA v1.0

3. The permit holder should note that Saulteau First Nation has already provided the permit holder site specific information in regards to game trails

All pages included in this Permit and any attached plan(s) form an integral part of this Permit.



Ashley Istead
Authorized Signatory
Commission Delegated Decision Maker

Copied to:

Land Agent – Roy Northern Land Services Ltd.
First Nations – HRFN, MLIB, SFN, WMFN
Ministry of Forests District Office – Peace Natural Resource District
OGC Compliance and Enforcement

January 11, 2016

Prince Rupert Gas Transmission Ltd.
450 – 1st Street SW
Calgary, Alberta T2P 5H1

Attention: Robert MacLeod

RE: OGC File #: 9642682
Peace River Mix-Bury-Cover Sump #1

Effective June 13, 2013, the Provincial Agricultural Land Commission (ALC) and the Oil and Gas Commission (OGC) entered into an Agreement under section 26 of the *Agricultural Land Commission Act* (ALCA) whereby the OGC Commissioner or Deputy Commissioner was given the power to decide applications for permission for non-farm use of Agricultural Land Reserve (ALR) land within the Peace River Regional District (PRRD) and Northern Rockies Regional District area for oil and gas activities and ancillary activities.

This is an application by Prince Rupert Gas Transmission Ltd. for permission for non-farm use of ALR land for a sump site (Peace River Site 1) within units 88 and 89, Block L, Group 93-P-13. The current land use of the site is forest; the site is currently a regenerating cutblock. The total proposed disturbance associated with this application will be 7.61 ha hectares, to which 7.53 ha falls within the ALR. The application falls within the criteria outlined in the Agreement (specifically Item 6 in Appendix I of the Agreement) thus giving me authority to make a decision under sections 25 (1) and (2) of the ALCA.

Pursuant to article 7 of the Agreement I have considered the Schedule A Report and the Appendix II rationale as provided by the company in their application. I am satisfied that the report and rationale are appropriate and are consistent with the Delegation Agreement and the ALCA. I am also satisfied that the local government (Peace River Regional District) and the Ministry of Agriculture were provided notice of this application. No concerns were expressed by either party.

I hereby approve your application for permission for non-farm use of ALR land. This approval is subject to the conditions that, in accordance with article 6.3 of the Agreement, Prince Rupert Gas Transmission Ltd. must:

1. Implement the recommendations for soil handling and management of surface water as described in the Schedule A Report prepared by Stantec Consulting Ltd. dated July, 2015.
2. Within 24 months of when the land is no longer required for the purposes of a sump, conduct reclamation of any area of land disturbed by the non-farm use in accordance with the recommendations contained in the Schedule A Report and the requirements set out in Schedule B of the Agreement.
3. Immediately following completion of the reclamation outlined above, submit a Schedule B Report to the OGC.

The property remains subject to the provisions of the ALCA and applicable regulations except as stated by this approval. This decision is solely to allow for the non-farm use of the land and does not relieve Prince Rupert Gas Transmission Ltd. of responsibility to comply with any other legislation that applies to the property or the planned activities.

Please feel free to contact Ashley Istead (250) 794-5235 or email Ashley.Istead@bcogc.ca for further information.

A handwritten signature in black ink, appearing to read 'James O'Hanley', with a stylized flourish at the end.

James O'Hanley
Deputy Commissioner
BC Oil and Gas Commission

cc: Agricultural Land Commission
Peace River Regional District