



October 18, 2013

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

Attention: Ronnie Robinson

RE: Temporary Occupation of Crown Land - Geotechnical Investigation Permit
Geotechnical Investigation Location: Within Units 27,28,37,38,39&40, Blk G & Unit 31,Blk F, and Within Units 55,56,57,64,65,Blk G, 93-O-6
Date of Issuance: October 18, 2013
Commission File No: 9638539

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 9638539, under section 14 of the Land Act, to temporary occupy and use Crown land for the purpose of constructing and operating a Geotechnical Investigation, under Authorization Number 941794, subject to the following:
 - i. The authorization granted under this permit is limited to the area described in construction plan number FOCUS: 130397SK04R2, REV. 2, Sheet 1 of 1, Dated August 12, 2013; and FOCUS: 130397SK03R3, REV. 3, Sheet 1 of 1,, dated August 12, 2013 as submitted to the Commission in the permit application dated July 19, 2013.
 - 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. 1, under Master Licence to Cut number M02372, Forest District MACKENZIE subject to the following conditions:
 - i. This Cutting Permit applies to only the Crown Land portion of the construction plan associated with this Geotechnical Investigation Permit (construction plan number FOCUS: 130397SK04R2, REV. 2, Sheet 1 of 1, Dated August 12, 2013; and FOCUS: 130397SK03R3, REV. 3, Sheet 1 of 1, dated August 12, 2013).
 - ii. All harvested Crown timber must be marked with Timber Mark Number MTA 100.
 - iii. This Cutting Permit expires 2 years from the date of issuance of the Geotechnical Investigation 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. The utilization of merchantable timber is not mandatory for this permit.

Changes in and about a Stream Authorization under section 9 of the Water Act

1. The Oil and Gas Commission hereby authorizes permit holder, under section 9 of the Water Act, to make changes in and about streams, as shown on construction plan number FOCUS: 130397SK04R2, REV. 2, Sheet 1 of 1, Dated August 12, 2013; and FOCUS: 130397SK03R3, REV. 3, Sheet 1 of 1, dated August 12, 2013, providing:

- i. the stream crossing is constructed and maintained at times and in a manner that will not harm fish, or destroy, damage or harmfully alter fish habitat,
- ii. the crossing does not prevent the movement of fish, nor impede the movement of fish to the extent that it is harmful to the survival of the fish,
- iii. the side of the stream is protected at the crossing,
- iv. any disturbance to the stream channel and stream bank is mitigated,
- v. the oil and gas activity does not result in any deleterious materials being deposited into the stream.

ADDITIONAL CONDITIONS

- 1 An Archaeological Impact Assessment is required for the proposed development area prior to any development activities taking place.

If an archaeological site is recorded as a result of this assessment, a report must be submitted immediately to the Archaeology Branch of FLNRO and Commission and all mitigation measures must be approved by the Archaeology Branch prior to the start of construction.

If no archaeological site is recorded during this assessment, an AIA report is still required and must be submitted to the Archaeology Branch and the OGC as soon as possible as per the Archaeology Process Guidelines.

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 and 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.

- 2 Topsoil stripping, ditching and road bed construction are not permitted within the site.

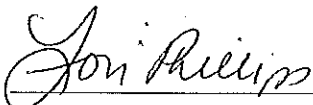
- 3 This permit authorizes a maximum total new cut area of:

- a. 0.29 Ha. for Crossing No. 320.1
- b. 0.06 Ha. for Crossing No. 320.2

- 4 The total disturbance within the Site must not exceed:

- a. 1.07 Ha. for Crossing No. 320.1
- b. 0.29 Ha. for Crossing No. 320.2

- 5 The Permit Holder must contact Saluteau First Nation, Moberly Lake First Nation and Halfway River First Nation prior to commencement of ground disturbance.



Lori Phillips
Review Approval Resource Officer
Permitting and Authorizations - Operations Division