November 20, 2015

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

Attention: Surface Land Administrator

RE: Road Permit

Road Location: From NTS: a-37-F, 93-O-6 To NTS: d-37-F, 93-O-6
From: UTM Zone 10 Northing 6135136 Easting 479086; To: UTM Zone 10 Northing 6135441 Easting 478930
Date of Issuance: November 20, 2015
Road No.: 03140
Road Name: Tsedeitla Lake Spur (56.0.0.3)
OGC File No: 9641680

PERMISSIONS

1. The BC Oil and Gas Commission (“the Commission”), under section 25 (1) of the Oil and Gas Activities Act hereby permits the holder to construct and maintain an oil and gas road, subject to the following conditions:
   a. Subject to permission 2, the authorization granted under this permit is limited to the area described in survey plan number; Job: 3111-22807, Document No. 56.0.0.3_OGC_CONST, revision 0, October 20, 2014.
   b. Following initial construction of the road, future permission to construct is limited to required modifications within the operating area except as otherwise restricted by this permit.

2. Pursuant to Section 138(1) of the Petroleum and Natural Gas Act, the permit holder is authorized to enter, occupy and use any unoccupied Crown land located within the operating area to carry out the oil and gas activity authorized under this permit.

3. The authorization to occupy and use Crown land expires if this permit expires, or is suspended, cancelled, surrendered or declared spent.

CONDITIONS

1. The permit holder must submit the post construction plan, as per section 11 of the Oil and Gas Road Regulation, as an ePASS shape file and PDF plan accurately identifying the location of the total area actually disturbed under this permit.

2. 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 liability claims arising from any accident or occurrence on the site.

3. The authorization to occupy and use Crown land does not entitle the permit holder to exclusive possession of the area.

4. The rights granted by this authorization 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 Act or Wildlife Act, or any extension or renewal of the same.

5. The permit holder must not assign, sublicence or transfer this permit or permit any person to use or occupy the land, other than its employees, contractors, or representatives, without the Commission’s written consent.

6. The permit holder must ensure that the area is maintained in a condition so as to minimize hazards, including but not limited to hazards associated with storage of materials and equipment.
7. The permit holder must ensure that the area is free of garbage, debris and unused equipment.

8. Stream and wetland crossings must be constructed in accordance with the methods and any mitigations, as specified in the application.

9. Following initial construction, stream crossings are authorized for necessary road modification or maintenance activities on the operating area except for:
   a. construction or replacement of a bridge or major culvert on a S1, S2, S3 or S5 stream;
   b. installation of a closed bottom structure in a fish bearing stream; or
   c. excavation or grading of a stream bank or stream bed.

10. Stream crossings must be constructed, maintained and deactivated according to the following requirements, as applicable:
    a. Only bridges, culverts, ice bridges or snow fills may be constructed at stream crossings.
    b. Snow fills must consist of clean snow and may only be located on streams that are dry or frozen to the bottom during the period of construction, maintenance and use. Where periodic thaws are anticipated, culverts must be installed to allow meltwater to pass through. Snow fill and any installed culverts must be removed prior to spring snow melt.
    c. Ice bridges on fish bearing streams may only be constructed where sufficient water depth and stream flows prevent the bridge structure from coming in contact with the stream bottom.
    d. in-stream activities within a fish bearing stream must occur
       i. during the applicable reduced risk work windows as specified in the Region 7 Omineca - Reduced Risk Timing Windows for Fish and Wildlife;
       ii. in accordance with alternative timing and associated mitigation recommended by a qualified professional and accepted by the Commission; or
       iii. in accordance with an authorization or letter of advice from Fisheries and Oceans Canada that is provided to the Commission.
    e. Bridge or culvert abutments, footings and scour protection must be located outside the natural stream channel and must not constrict the channel width.
    f. Equipment used for activities under this authorization must not be situated in a stream channel unless it is dry or frozen to the bottom at the time of the activity.

11. 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; 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 with the Heritage Conservation Act and approved by the Commission.

12. The Permit holder must not undertake construction or significant maintenance activities between January 15 and July 15.

13. The permit holder must notify the Halfway River First Nation Lands Department a minimum of five (5) days prior to commencing any construction activities under this permit. Notification will be sent via email to sfield@hrfn.ca and billy@hrfn.ca.

14. The permit holder must notify the McLeod Lake Indian Band a minimum of five (5) days prior to commencing any construction activities under this permit.

15. The total area of disturbance authorized under this permit is 0.9 ha
ADVISORY GUIDANCE

1. Workspaces include any work space needed to carry out the oil and gas activity including shoofly, log deck, storage site, laydown areas, stockpile sites, helipads, campsite, or temporary workspace. Workspaces do not include sumps.

RELATED AUTHORIZATIONS ASSOCIATED WITH THE PERMIT

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

1. The Commission hereby issues the permit holder Cutting Permit No. 10 under Master Licence to Cut number M02372, subject to the following conditions:
   a. This Cutting Permit is subject to the terms and conditions in the Master Licence to Cut.
   b. This Cutting Permit applies to only the Crown land portion shown on survey plan associated with this Permit (survey plan number, Job: 3111-22807, Document No. 56.0.0.3_OGC_CONST, revision 0, dated October 20, 2014).
   c. All harvested Crown timber must be marked with Timber Mark Number MTB 308.
   d. This Cutting Permit is deemed spent upon the submission of the post construction plan or upon either the cancellation or the expiry of the permitted oil and gas activity.
   e. This Cutting Permit does not grant the permit holder the exclusive right to harvest timber from the License area and the Commission reserves the right to grant rights to other persons to harvest timber from the License area.
   f. The felling, bucking and utilization specifications as described in Appendix A of your Master License to Cut applies to this Cutting Permit.
   g. Stumpage for this Cutting Permit will be calculated as per Table 6.6 in the Interior Appraisal Manual.
      i. Stumpage billing will be calculated on the gross project area. The amount billed will be determined upon submission of the final post-construction plan to the Commission.
   h. 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.
   i. Where the permit holder is aware of overlapping forest tenure rights that have been granted to other persons, the permit holder is obligated to communicate to these persons the timing and extent of their harvest operations at least two weeks prior to commencement of harvest and take all reasonable steps to coordinate their activities with these persons.
   j. The total area of new cut authorized under this permit is 0.9 ha.

Johannes Bendle
Authorized Signatory
Commission Delegated Decision Maker

pc: Roy Northern Land Service Ltd.
OGC File: 9841680
MoFLNRO: Mackenzie
OGC First Nations: Halfway River First Nation, McLeod Lake Indian Band and West Moberly First Nation
LEGEND:
- P.R.G.T. Pipeline Right of Way
- Centerline
- Non-Tarred Road
- Cutblock / Opening
- Visual Sensitivity
- Managed License (Community Forest)

NOTES:
- The proposed project is not within the Agricultural Land Reserve (ALR).
- Project to be flagged at time of construction.
- UTM Coordinates shown are NAD83 Zone 10 N.
- Distances shown are in metres and decimals thereof.

McELHANNEY
8860 - 72nd Street
Fort St. John, British Columbia
Phone(905)787-0588, Fax(905)787-0510
Job: 3111-22807

BCCG 920 - 03H
APPROVER: ROB BEDARD
EPASS # 1040813
PROJECT MANAGER: SANTINO PIRILLO

REVISION DESCRIPTION
0 Issued for Use, October 30, 2014

SCALE 1:2500
METRES CKD.: EH

TABLE OF CROSSINGS
No DESCRIPTION STATION NORTHING/EASTING DRAWING
A NON-CLASSIFIED STREAM 0+001 N 6135206+ E 4790451 No Plan Req'd

ROAD SEGMENTS
SEQUENTIAL FROM UTM ZONE 10 TO UTM ZONE 10 LENGTH AREA ROAD AREA ROAD TYPE
1 a-37-F, 93-0-6 4155744.3 + 4753454.1 0.32 ha CANADIAN TOTAL 0.32 ha 2.54 ha CROWN

TABLE OF TOTAL AREAS REQUIRED (CROWN LAND)
 Proposed Features: New Cut Existing Clearing Total
PROPOSED ROAD 2.54 ha 0.00 ha 2.54 ha
TOTAL CROWN LAND DISTURBANCE 2.54 ha 0.00 ha 2.54 ha