

July 8, 2015

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

Attention: Surface Land Administrator

**RE: Road Permit**

**Segment 1: Road Location: From NTS: d-88-H/94-B-01 To NTS: d-88-H/94-B-01**

**Segment 2: Road Location: From NTS: a-98-H/94-B-01 To NTS: a-98-H/94-B-01**

**Segment 1: From: UTM Zone 10 Northing 6223969 Easting 556348; To: UTM Zone 10 Northing 6223970 Easting 556364**

**Segment 2 From: UTM Zone 10 Northing 6224235 Easting 556345; To: UTM Zone 10 Northing 6224235 Easting 556358**

**Date of Issuance: July 8, 2015**

**Road No.: 03246**

**Road Name: PRGT Carey Road 3246**

**OGC File No: 9642137**

**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, operate and maintain an oil and gas road, subject to the following conditions:
  - a. The authorization granted under this Permit is limited to the area described in survey plan number; FOCUS: 131209SK02R0, revision 0, dated June 12, 2014, completed by WSP Surveys (BC) Limited Partnership, as submitted to the Commission in the Permit application dated March 17, 2015. This includes all ancillary activities as shown on the construction plan.
  - b. The Permit holder is authorized to occupy and use Crown land under Section 138(1) of the *Petroleum and Natural Gas Act* for the area as described in the above noted survey plan for the purposes of constructing, maintaining and operating an oil and gas road and for the construction of the ancillary activities.
  - c. The Permit holder will construct and install all bridges and culverts in accordance with section 6 of the Oil and Gas Road Regulation (OGRR). An exemption may be granted, if section 6 (1)(a) cannot be adhered to.
  - d. The permission to construct an oil and gas road is deemed spent upon the submission of the report describing the location of the constructed road (section 11 OGRR). Any future modifications to the oil and gas road will require an amendment. The permission to maintain the oil and gas road remains in good standing.

**CONDITIONS**

1. An Archaeological Impact Assessment (AIA) report is required and must be submitted to the Commission as soon as possible as per the Archaeology Process Guidelines.
2. 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 Commission
- 3 The ancillary activities associated with the Road Permit are only authorized for their initial construction and use, and will be deemed spent upon the submission of the post-construction plan
- 4 The Permit holder must restore all areas disturbed with the construction of ancillary activities as soon as practicable and to the satisfaction of the Commission

### ADVISORY GUIDANCE

- 1 In accordance with section 32(1&2) of the *Oil and Gas Activities Act* and subject to section 8 of the General Regulation, this Road Permit expires two years from the date of issuance if the Road Permit holder has not begun the construction of the road as permitted. Subject to section 32(2) of OGAA the Permit holder may apply for an extension of the prescribed period
- 2 As required under section 4 of the Oil and Gas Road Regulation the Permit holder must notify the Commission, affected landowners and affected rights holders of the construction of an oil and gas road not more than 30 days and not less than 72 hours before beginning construction or as soon as practicable if construction must be carried out as expeditiously to address an environmental or operational emergency. The notice requirements are described in section 4(2) of the OGRR
- 3 As required under section 11 of the OGRR, within 60 days of completion of the construction this oil and gas road, the Road Permit holder must submit to the Commission a report in the form and manner specified by the Commission, describing the location of the constructed road
- 4 In accordance with section 16 of the OGRR, a Road Permit holder may not (a) close the oil and gas road, or (b) restrict the use of the road by the Permit holder or other person, except as provided under section 20 Oil and Gas Road Regulation or to the extent necessary to carry out maintenance on the road as required under this legislation
- 5 In accordance with section 23 of the OGRR, a Road Permit holder who intends to deactivate an oil and gas road must provide written notice of the intention to users of the road known to the Road Permit holder, any applicable landowner and the Commission. Notice requirements and timelines are described in section 23(2&3)
- 6 The Environmental Protection and Management Regulation (EPMR) has been amended to incorporate oil and gas roads and defining operating areas and thus the Permit holder must ensure that all activities associated with the construction, maintenance and deactivation of an oil and gas road must abide by the pertinent requirements as prescribed in the EPMR
- 7 Upon the expiration of the "permitted road", if the permit holder has not begun the permitted activity within the permit expiration period all related authorizations will also be deemed to have expired

### RELATED AUTHORIZATIONS ASSOCIATED WITH THE PERMIT

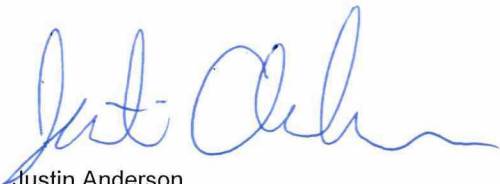
#### Cutting Permit under Master Licence to Cut under section 47.4 of the Forest Act

- 1 The Commission hereby issues the Permit holder Cutting Permit No 16 under Master Licence to Cut number M02370, 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, FOCUS 131209SK02R0, revision 0, dated June 12, 2014.)
  - c All harvested Crown timber must be marked with Timber Mark Number MTB 395
  - 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
  - a. 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. 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".

#### AGRICULTURAL LAND COMMISSION EXEMPTIONS

- 1. The Permit hold must in relation to any oil and gas activities and related activities that are authorized herein and are located within the Agricultural Land Reserve:
  - a. Implement any recommendations for soil handling and management of surface water contained in the Schedule A Report dated March 11, 2015; and
  - b. conduct reclamation of any area of land disturbed by non-farm use in accordance with any recommendations contained in the Schedule A Report and the requirements set out in Schedule B of the Agreement between the Provincial Agricultural Land Commission and the Oil and Gas Commission dated June 13, 2013, or in accordance with such alternate requirements identified by a Qualified Specialist and agreed to by the Commission,
    - i. within 24 months of the date that the use of the area of land disturbed by the non-farm use is no longer required for the oil and gas activity or ancillary activity; and
    - ii. immediately following completion of (a), above, submit a Schedule B Report to the Commission and to the landowner.

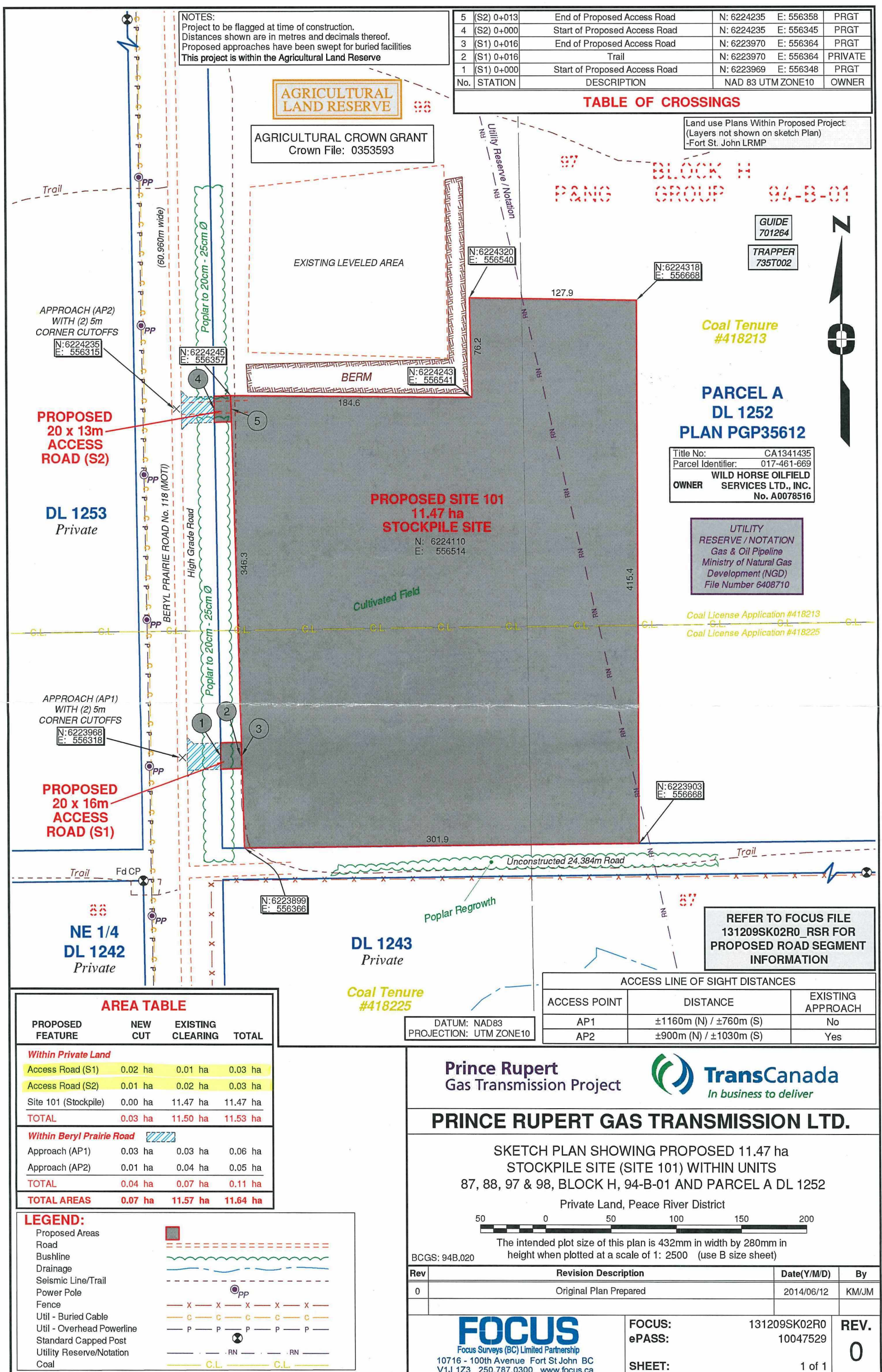


Justin Anderson  
Authorized Signatory  
Commission Delegated Decision Maker

pc. Roy Northern Land Service  
OGC File: 9642137  
MoFLNRO, Peace







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