October, 20, 2016

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

Attention: Prince Rupert Gas Transmission Ltd.

RE: Commission File Number 9643938

Permit Holder: Prince Rupert Gas Transmission Ltd.
Date of Issuance: October 20, 2016
Effective Date: October 20, 2016
Application Submitted Date: January 22, 2016
Commission File Number: 9643938
Approved Disturbance Footprint: 5.19 ha

GENERAL PERMISSIONS, AUTHORIZATIONS and CONDITIONS

PERMISSIONS

Oil and Gas Activities Act

1. The BC Oil and Gas Commission, under section 25 (1) of the Oil and Gas Activities Act, hereby permits the Permit Holder referenced above to carry out the following activities subject to the conditions contained herein, any applicable exemptions and authorizations:

   a) To construct, maintain and operate an oil and gas road as detailed in the Permitted Activities and Activity Details tables below.

   PERMITTED ACTIVITIES

   | Road Number No.: 03965 | Segment No.: 1 |

2. The permissions and authorizations granted under this permit are limited to the area described in construction plan Document No: 195.0.1.1_OGC_CONST_NLG, revision 3, dated June 17, 2015 (the
“construction plan”) by McElhanney as submitted to the Commission in the permit application dated (hereinafter referenced as the “operating area”).

CONDITIONS

Notification

1. 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 submitted via Kermit for pipelines and facilities. For all other activity types Notification must be submitted through OGC.ExternalNotifications@bcogc.ca.

2. Within 60 days of the completion of all activities under this permit, the Permit Holder must submit to the Commission via eSubmission, a final post-construction plan as a shapefile and PDF plan accurately identifying the location of the total area actually disturbed under this permit.

3. A notice of maintenance activities must be submitted, as per the relevant Commission process at the time of submission, at least ten (10) working days prior to the commencement of any changes in or about a stream associated with maintenance activities.

4. At least ten (10) working days prior to the commencement of any changes in or about a stream associated with maintenance activities, the Permit Holder must provide a notice of works to any First Nation(s) who may have Aboriginal Interests identified, as per the BC First Nations Consultative Areas Database, within the area in which the works are to occur.

5. The permit holder must notify the Nisga’a Lisims Government a minimum of five (5) days prior to commencement of activities.

Environmental

6. Construction activities must not result in rutting, compaction or erosion of soils that cannot be reasonably rehabilitated to similar levels of soil productivity that existed on the operating area prior to the construction activities taking place.

7. Any temporary access must be constructed and maintained in a manner that provides for proper surface drainage, prevents pooling on the surface, and maintains slope integrity.

Clearing

8. The Permit Holder is permitted 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.

Water Course Crossings and Works

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

10. In-stream activities within a fish bearing stream, lake or wetland must occur
   a) during the applicable reduced risk work windows as specified in the Skeena Region Reduced Risk In-stream Work Windows and Measures;
   b) in accordance with alternative timing and associated mitigation recommended by a Qualified Professional and accepted by the Commission; or
c) in accordance with an authorization or letter of advice from Fisheries and Oceans Canada that is provided to the Commission.

d) At any time, the Commission may suspend instream works authorized under this approval. Suspensions on instream works will remain in place until such time as the Commission notifies permit holders that works may resume. Reasons for suspension of works may include, but are not limited to, drought conditions and increased environmental or public safety risks.

11. Following initial construction, stream crossings are authorized for necessary road modification or maintenance activities on the activity 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;
   c) excavation or grading of a stream bank or stream bed;
   d) works within a Temperature Sensitive Stream established by order under s. 27 of the Environmental Protection and Management Regulation; or
   e) Works within a Fisheries Sensitive Watershed established by order under section 28 of the Environmental Protection and Management Regulation.

12. Stream crossings for roads 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) Water applied to construct an ice bridge on a water body must be sourced in accordance with the Water Sustainability Act unless:

      (i) the water body is a stream with a stream channel width of at least 5 metres and is not designated as a sensitive stream under the Fish Protection Act, or has a riparian class of W1, W3, or L1,
      (ii) the water is sourced from the same water body proximal to the location on which the ice bridge is constructed,
      (iii) the water body is not within the boundaries of a public park,
      (iv) pump intakes do not disturb beds of streams or wetlands except as necessary for the safe installation and operation of equipment, and are screened with a maximum mesh size and approach velocity in accordance with the Fisheries and Oceans Canada Freshwater Intake End-of-Pipe Fish Screen Guideline, and

      (a) where the water body is a stream, the flow of water in the stream at the time and location of pumping exceeds 60 litres per second and the instantaneous pumping rate does not exceed 1% of the water flowing in the water body at the time and location the pumping occurs, or
      (b) where the water body is a lake or pond, the cumulative volume of water withdrawn does not exceed 10 cm of lake or pond depth, calculated as the product of lake or pond surface area x 10 cm;
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 Permit must not be situated in a stream channel unless it is dry or frozen to the bottom at the time of the activity.

13. Wetland crossings must be constructed, maintained and removed in accordance with the following:
   a) Organic cover within and adjacent to the wetland must be retained;
   b) Minimize erosion or release of sediment within the wetland;
   c) Any padding materials must be placed on the wetland surface only and must not be used for infilling;
   d) Any padding materials must be removed as soon as practicable following construction, considering weather and ground conditions; and
   e) The wetland, including banks and bed, must be restored, to the extent practicable, to the condition that existed before the crossing was initiated.

Archaeology

14. An AIA report must be submitted to the Commission as soon as practicable.

15. 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.

ACTIVITY SPECIFIC PERMISSIONS AND CONDITIONS

ROAD

Road Number: 03965

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<th>ACTIVITY DETAILS</th>
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<td>Seg No.: 1</td>
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All permissions for this activity are subject to the following conditions:

Road Conditions

16. The Permit Holder will immediately effect, and keep in force 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 activity area.

**ADVISORY GUIDANCE**

1. The term “unused equipment” has the same definition as in the Drilling and Production Regulation

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

____________________________________
Justin Anderson
Authorized Signatory
Commission Delegated Decision Maker

Copied to:
Land Agent – Roy Northern Land Service Ltd.
First Nations – NGAA