

OGC File: 9639899

June 12, 2014

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

Attention: Surface Land Administrator

Re: Approval for Short Term Use of Water

This approves you, under Section 8 of the Water Act to divert and use water as follows:

- 1. The approved water withdrawal point is Dragon Lake at: UTM location Zone 9 N. 6131536, E. 503455.
- 2. The approved use of water is restricted to the oil and gas activities of the Operator.
- 3. The maximum quantity of water that may be diverted is 5m³/day, at a rate not to exceed 14l/s (0.5 cfs).
- 4. The maximum quantity of water that may be diverted during the duration of the authorization is 20m³.
- 5. On any stream, no diversion is permitted where stream discharge is less than 55 l/s, or where the diversion will cause the stream discharge to fall below 55 l/s. No diversion is permitted where stream (wetted) depth is less than 0.30 metres (12 inches) at the withdrawal location, or where the diversion will cause the stream (wetted) depth to fall below 0.30 metres (12 inches) at the withdrawal location.
- 6. On any lake, water withdrawal must cease if drawdown exceeds 0.10 metres (relative to the water level documented at the commencement of withdrawal activities). In the event that drawdown exceeds 0.10 metres, withdrawals may resume only when water levels have risen above the 0.10 metres drawdown level.
- 7. No water will be diverted or removed from any beaver pond.
- 8. Approval has been granted to use the water from June 12, 2014 to August 31, 2015.
- 9. This approval does not authorize any instream work.
- 10. A copy of this approval must be available for inspection at the tank truck and drill site location(s).
- 11. End-of-pipe intakes must contain a screen with a mesh size that does not exceed one tenth of an inch.
- 12. The holder of this approval must maintain accurate records of all water withdrawal activities throughout the term of this permit. A digital spreadsheet has been sent to the applicant's email

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24 Hour:

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provided on the application. Water withdrawal records for each diversion point, including "0" values for months where no water was withdrawn, must be recorded monthly on the digital spreadsheet provided. The spreadsheet must be submitted to the Oil and Gas Commission on a quarterly basis to OGCWater.VolumeData@bcogc.ca. Quarterly reports are due on or before April 25th, July 25th, October 25th, and January 25th. Do not modify the digital spreadsheet as it is designed to be interpreted by Commission software. If a cell/field in the spreadsheet is not relevant to the permitted activity, leave it blank.

13. In times of drought, the Commission may suspend short term water use previously authorized when there is risk to other resources that may result from the withdrawal of water. Water use suspensions may remain in place until such time as the Commission is satisfied that there is sufficient water in the applicable water body or water course to permit the short term use of the amount specified in the approval.

Additional Conditions:

- 1. This approval does not grant any land tenure or access, only the use of water from the approved diversion point(s). To obtain access to the water withdrawal point(s), additional authorizations may be required, including, if access is located on private land, a surface agreement with the land owner.
- 2. The permit holder must notify the Nisga'a Lisims Government prior to commencement of activities.
- 3. The permit holder and their contractors should be aware that community members may be conducting recreational activities at the time of withdrawal from Dragon Lake, and all reasonable efforts should be undertaken to minimize and avoid impacts to those activities.

The attached plan(s) form an integral part of this authorization.

Lori Phillips

Review Approval Resource Officer

cc: Roy Northern Land and Environmental

cc: Nisga'a Lisims Government

