

October 13th, 2015

Pacific Trail Pipelines Management Inc.
500, 5th Street
Calgary, Alberta T2P 0L7

Attention: Pacific Trail Pipelines Management Inc.

RE: Road Permit (Section 3)

Road Location: Within NTS: c-90-G, 93_K-4 To NTS: c-34-L, 93-L-4

From: Within UTM Zone 10 Northing 6004195.35 Easting 320415.04; To: UTM Zone 9 Northing 6006246.75 Easting 570505.63

Date of Issuance: October 13th, 2015

Road No.: 02226

Road Name: PTP Sec3 02226

OGC File No: 9636387

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 condition 2, the authorization granted under this Permit is limited to the area described in survey plan number; CAN-AM File:N20120168, CAD FILE: N20120168RD-4-Sec3, Sheet 1-10 of 10, revision 4, dated January 23, 2015, completed by Can-am Geomatics, as submitted to the Commission in the Permit application dated June 3, 2015.
2. 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.
3. 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 activities authorized under this permit.
4. Proposed road segment 26 and road segment 27 are not authorized under this permit. Within 30 days of this approval, a new ePASS must be submitted to reflect the removal of road segment 26 and road segment 27.
4. 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.

CONDITIONS

Park Use Permit

1. Prior to commencing any construction activities under this permit within the Burnie River Protected Area, the Permit holder must possess a valid park use permit authorizing works in that area, issued pursuant to the *Park Act* by BC Parks, Ministry of Environment.

Notification and Reporting

2. At least 30 days prior to commencing any construction activities under this permit, the Permit holder must provide the Carrier Sekani Tribal Council, Yekooche First Nation, Burns Lake Indian Band, Cheslatta Carrier Nation,

Kitselas First Nation, Nee Tahi Buhn Indian Band, Office of the Wet'suwet'en, Skin Tyee Nation, Wet'suwet'en First Nations and Ya'tsalkas/Dark House the proposed construction schedule.

3. Prior to deactivating the road, the Permit holder must provide written notice of this intention according to the requirements of the OGRR, submitting the Declaration of Road Deactivation Form to OGC.ExternalNotifications@bcogc.ca.

First Nations

4. At the completion of deactivation the Permit holder must restore any identifiable trails traditionally used by First Nations that were impacted by construction, to the level of access that existed prior to construction, if the location of the trail is made known to the Permit holder by a First Nation or the Commission prior to the Permit holder's notice of construction start.
5. Prior to commencement of clearing and construction activities on any portion of the road right of way, the Permit holder must consider relevant information made available by a First Nation in the development of site specific mitigation plans. Relevant information includes culturally modified trees, cache pits, house pits, grave sites, pictograph sites, smoke houses, cabins, artifacts and areas traditionally used on a recurring basis for camping, intensive fishing and berry picking located within the pipeline right of way or work space.

The Permit holder must submit, at least 30 days prior to the commencement of construction, the information, along with site-specific mitigation plans for any of the specified items identified that may be impacted by construction activities, to the satisfaction of the Commission.

6. The Permit holder must, as soon as practicable, submit copies of the Archaeological Impact Assessment (AIA) report to Kitselas First Nation.

Clearing

7. Clearing and site preparation, must not exceed 117.74ha on Crown land and must not be in an area that would require harvest or disturbance of whitebark pine trees.
8. The Permit holder must fall any tree that is harvested within its tree length of a stream or a wetland away from the stream or wetland, and must immediately remove any debris or soil deposited below the high water mark

Wildlife

9. The Permit holder must not undertake any clearing activities during the migratory bird nesting period as identified in Environment Canada General Nesting Periods of Migratory Birds of Canada, unless the area has been previously logged, brushed, or mowed.
10. The Permit holder must not undertake construction or significant maintenance activities inside and within 1000 meters of UWR U-6-003 between October 15 and May 15 .
11. The Permit holder must not undertake construction or significant maintenance activities within proposed WHA 6-333 for caribou, except between July 15 and January 15.
12. The Permit holder must not undertake construction or significant maintenance activities within WHAs 6-283, 6-285 and 6-286 between September 1 and June 15.
13. The Permit holder must not undertake construction or significant maintenance activities within 200 meters of an active grizzly bear or black bear den that was identified by the survey conducted in accordance with condition 31, between November 1 and May 31.
14. The Permit holder must not undertake construction activities within 500 meters of an active wolverine den that was identified by the survey conducted in accordance with condition 31, between February 1 and August 1.
15. The Permit holder must not, with respect to fisher:
 - a. undertake construction activities within 200 metres of any known den that was identified by the survey conducted in accordance with condition 31 ; and
 - b. undertake construction activities within 400 metres of an active den that was identified by the survey conducted in accordance with condition 31, between March 15 and July 31.

16. The Permit holder must collect and store garbage in a manner that does not attract bears.

Stream, Wetland and Lake Crossings

17. Subject to sections 11 and 12 of the Environmental Protection Management Regulation (EPMR), crossings of non-fish bearing streams and wetlands must be constructed in accordance with the methods and any mitigations approved by the Commission as specified in the Access Roads Watercourse Crossing Table Section 3.
18. Subject to sections 11 and 12 of the EPMR, crossings of fish bearing streams and wetlands must be constructed in accordance with the timing, methods and any mitigations that are specified in in the Access Roads Watercourse Crossing Table Section 3.
19. 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 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.
20. Stream crossings must be constructed, maintained and deactivated according to the following requirements, as applicable:
 - a. only bridges, culverts, ice bridges or snow fills are 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 and where significant spring ice jams are unlikely to occur,
 - d. in-stream activities within a fish bearing stream must occur:
 - i. during the applicable reduced risk work windows as specified in the Skeena Region Reduced Risk In-stream Work Windows and Measures, May 2005;
 - 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.
21. Fuel storage, equipment servicing or fueling must not occur within a riparian management area.
22. Equipment to be used in or adjacent to a stream, lake or wetland must be clean or otherwise free of external grease, oil or other fluids, excessive muds, soil and vegetation, prior to entering the waterbody.
23. Vegetable based hydraulic oil must be used in hydraulic machinery conducting work within a stream or wetland.

Archaeology

24. An AIA must be completed for all pipeline right of way and work space areas prior to commencement of construction activities.
25. The Permit holder must, as soon as practicable, submit an AIA report to the Commission.

26. 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:
- immediately cease all work in the vicinity of the artifacts, features, materials or things;
 - immediately notify the Commission; and
 - 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.

Environment

27. At the completion of deactivation activities the Permit holder must restore any identifiable trails used by trappers that were impacted by pipeline construction, to the level of access that existed prior to construction, if the location of the trail is made known to the Permit holder by the registered trapper for the area specific to the trail or the Commission prior to completion of immediate post construction restoration.
28. The Permit holder must undertake dust control measures to ensure that dust resulting from construction or use of the road does not affect safe travel on the road or significantly impair the use and enjoyment of lawfully occupied permanent dwellings, significant public use areas or other similar areas.
29. In all locations where run-off from the area of the road right of way may flow into a watercourse, the Permit holder must contour and stabilize banks and approach slopes and install berms, silt fences, cross ditches, or other alternative effective measures as appropriate.
30. The Permit holder must determine timber hauling restrictions pertaining to the management of beetle infested timber recommended by the BC Ministry of Forests, Land, and Natural Resource Operations and adhere to all such restrictions unless otherwise specified by the Commission.
31. Prior to commencing clearing or site preparation on any portion of the road right of way or work space, the Permit holder must conduct a survey identifying any:
- bear, fisher or wolverine dens located within 200 metres of the road right of way.
 - vascular plants, mosses or lichens listed under the *Species at Risk Act* as endangered, threatened or special concern; and
 - individual plants, plant communities or residences species identified as species at risk in a subsisting order issued under the *Forest and Range Practices Act* or the *Oil and Gas Activities Act* and located within the road right of way.

The Permit holder must submit the survey results, along with site-specific mitigation plans for any of items identified in a to d that may be impacted by construction activities, to the satisfaction of the Commission prior to the Permit holder's notice of construction start.

32. The Permit holder must submit prior to construction an acid rock assessment and mitigation information to the Commission, all to the satisfaction of the Commission, with respect to potentially acid generating (PAG) rock along the road right of ways. The information must include the following elements:
- the criteria used to classify acid rock drainage/metal leaching potential;
 - the process used to delineate PAG rock including desktop and field/laboratory assessments;
 - results of engineering evaluation of expected PAG rock locations and associated construction-related quantities;
 - additional planned characterization to complement initial assessment results;
 - protocols to be followed during construction to verify results of PAG characterization and engineering assessments;
 - a flowchart outlining material handling steps for confirmed PAG rock;
 - associated mitigation and monitoring programs for exposed in situ and disposed PAG rock;
 - mitigation selection criteria;

- i. typical drawings and typical specifications for mitigation such as soil covers and rock slope face barriers (e.g., shotcrete and synthetic spray cover); and
- j. gradational specifications for cover layer barriers composed of glacial till and/or other materials.

The above information must be prepared by a qualified professional and any protocols, mitigation or monitoring associated with e through j must be implemented by Permit holder.

33. 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 person injury, death, property damage, or third party liability claims arising from any accident or occurrence on the site.

General

34. The authorization to occupy and use Crown land does not entitle the Permit holder to exclusive possession of the area.
35. 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.
36. The Permit holder must not assign, sublicense 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.
37. 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.
38. The Permit holder must ensure that the area is free of garbage, debris and unused equipment.

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. 4 under Master Licence to Cut number M02281(Nadina Forest District) and Cutting Permit No. 42 under Master Licence to Cut number M02280(Coast Mountain Forest District) , subject to the following conditions:
- a. This Cutting Permit is subject to the terms and conditions in the Master Licences to Cut.
 - b. This Cutting Permit applies to only the Crown land portion shown on survey plan associated with this Permit (survey plan number: CAN-AM File: N20120168, revision 4, dated January 23, 2015).
 - c. All harvested Crown timber must be marked within Master Licence to Cut Number M02281(Nadina Forest District), must be marked with Timber Mark Number MSZ 878.
 - d. All harvested Crown timber must be marked within Master Licence to Cut Number M02280(Coast Mountain Forest District), must be marked with Timber Mark Number MTB 635.
 - e. 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".
 - f. This Cutting Permit does not grant the Permit holder the exclusive right to harvest timber from the License areas and the Commission reserves the right to grant rights to other persons to harvest timber from the License areas.
 - g. The felling, bucking and utilization specifications as described in Appendix A of the Master Licenses to Cut applies to this Cutting Permit.
 - h. Stumpage for these Cutting Permits will be calculated as per the applicable appraisal manual. Where timber felled on the cutting authority area that will not be removed from the site, volume billed will be based on an approved alternate method of scale.

- i. 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.
- j. 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.
- k. In accordance with the Master Licences 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."

ADVISORY GUIDANCE

1. Appropriate Land Act tenure will be issued upon acceptance of the Post Construction Plan. Submission of the original application and submission of the Post Construction Plan is considered application for all subsequent Land Act tenures; no further applications for replacement tenure is required.
2. No construction corridor or review corridor is authorized.
3. The Permit holder is advised that archaeological site GbSs-2 is in conflict with the proposed road; all archaeological sites must be avoided unless issued a site alteration permit by the Commission, pursuant to section 12 of the *Heritage Conservation Act*.
4. The Permit holder is advised that should Kitselas First Nation members may be undertaking traditional activities in the vicinity of clearing and construction activities, all reasonable efforts should be made to avoid and minimize impacts to those traditional activities.

Lori Phillips
 Authorized Signatory
 Commission Delegated Decision Maker

- pc. Scott Land and Lease Co. Ltd.
 OGC File: 9636387
 OGC First Nations (Carrier Sekani Tribal Council, Yekooche First Nation, Burns Lake Indian Band, Cheslatta Carrier Nation, Kitselas First Nation, Nee Tahí Buhn Indian Band, Office of the Wet'suwet'en, Skin Tye Nation, Wet'suwet'en First Nations and Ya'tsalkas/Dark House)
 MFLNRO
 BC Parks
 WorksafeBC