



OGC File: 9636457

September 30, 2014

KM LNG Operating Ltd.
500 – 5th Avenue S.W.
Calgary, Alberta T2P 0L7

Attention: Surface Land Administrator

Re: Storage Area - Section 14 over Crown Land and Private Land, Range 4 Coast District
Within units 29 and 39, Block J, 103-H-15

KM LNG Operating Ltd. (the Permit holder) is permitted under Section 14 of the *Land Act* to enter onto Crown land as per the attached plans, called 'the site' in this Permit, for a period of two years from the date of approval, under Authorization Number 945797.

This project is approved subject to the following conditions:

1. The Permit holder is authorized to occupy 2.55 ha of Crown land within the area indicated on the attached sketch plan: JOB: 3111-21774, DRAWING: J21774SK2, REVISION 1, dated January 14, 2014.
2. The Permit holder is authorized to occupy 8.23 ha of private land within the area indicated on the attached sketch plan: JOB: 3111-21774/3111-0197-16-94, DRAWING: 21774SK1, REVISION 5, dated October 29, 2013.
3. The Permit holder will enter onto the site solely for the purpose of "constructing a Storage Area".
4. The Permit holder indemnifies the Province of British Columbia (the Province) and the Oil and Gas Commission against all losses, damages, costs and liabilities arising out of any breach or non-performance of any condition or agreement set out in this Permit and any personal injury, death or property damage occurring on the site, or happening by virtue of your occupation of the site, and the amount of such losses, damages and costs shall be payable to the Province or the Oil and Gas Commission immediately.
5. The permit holder will immediately effect, and keep in force while this Permit is in effect, 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 or public liability claims arising from any accident or occurrence on the Site.
6. The Permit holder will restore the site to the satisfaction of the Oil and Gas Commission following expiration or cancellation of this Permit.

7. The authorization to occupy and use Crown land does not entitle the permit holder to exclusive possession of the area. The permit holder will not interfere with the activities of another person entering on and using the area under a prior or subsequent *Land Act* disposition.
8. The rights granted by this permit area subject to all subsisting grants to or rights of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Water Act* or *Wildlife Act*, or any extension or renewal of the same, any prior dispositions made under the *Land Act*, and the exceptions and reservations of rights and interests under Section 50 of the *Land Act*.
9. The permit holder will acknowledge and agree that any interference with rights granted under this permit by virtue of the exercise or operation of the rights or interests set out in the Sections (7) or (8) above shall not constitute a breach of the Province's or the Commission's obligations under this permit and the permit holder will release and discharge the Province and/or the Commission from any claim for loss or damage arising directly or indirectly out of any such interference. The permit holder will also agree to pay all costs and expenses that arise out of the permit holder's interference with the rights or interests set out in Sections (7) or (8) and that the permit holder will not commence or maintain proceedings under Section 65 of the *Land Act* with respect to interference with the permit holder's rights arising out of exercise or operation of the rights set out in Sections (7) or (8).
10. The permit holder must pay, when due, the Fees to the address set out in the attached covering letter.

CUTTING PERMIT AUTHORIZATION

Pursuant to section 47.4 of the *Forest Act*, the Commission hereby issues Cutting Permit No. 4, under Master License to Cut number M02304, Kalum Forest District, to cut and remove timber from the areas of Crown land within the area within the Site subject to the following conditions:

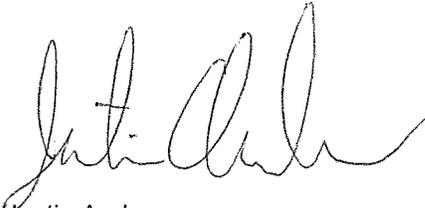
1. This Cutting Permit expires 2 years from the date of issuance of the Investigative Permit or the revised date should this permit be extended.
2. This Cutting Permit is subject to the terms and conditions in the Master Licence to Cut.
3. All harvested Crown timber must be marked with Timber Mark Number MSZ 438.
4. The felling, bucking and utilization specifications in the Master License to Cut apply to this Cutting Permit.
5. Stumpage under this cutting permit is required to be paid to the Crown and will be determined with the Ministry of Forests Interior Appraisal Manual.
6. 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.
7. 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."

8. All merchantable timber under this permit must be utilized where operationally feasible and all volumes utilized must be reported to the Oil and Gas Commission within 60 days of completion of the clearing phase of the activity.
9. Prior to harvesting, any clearing authorized by this Cutting Permit must be clearly defined on the ground by ribboning or blazing.
10. This permit authorizes a maximum total new cut area of 10.21 ha within the storage site area.

Additional Conditions

1. If artifacts, 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* 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 Archaeology Branch and Commission; 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*, endorsed by a qualified archaeologist, and approved by the Archaeology Branch.

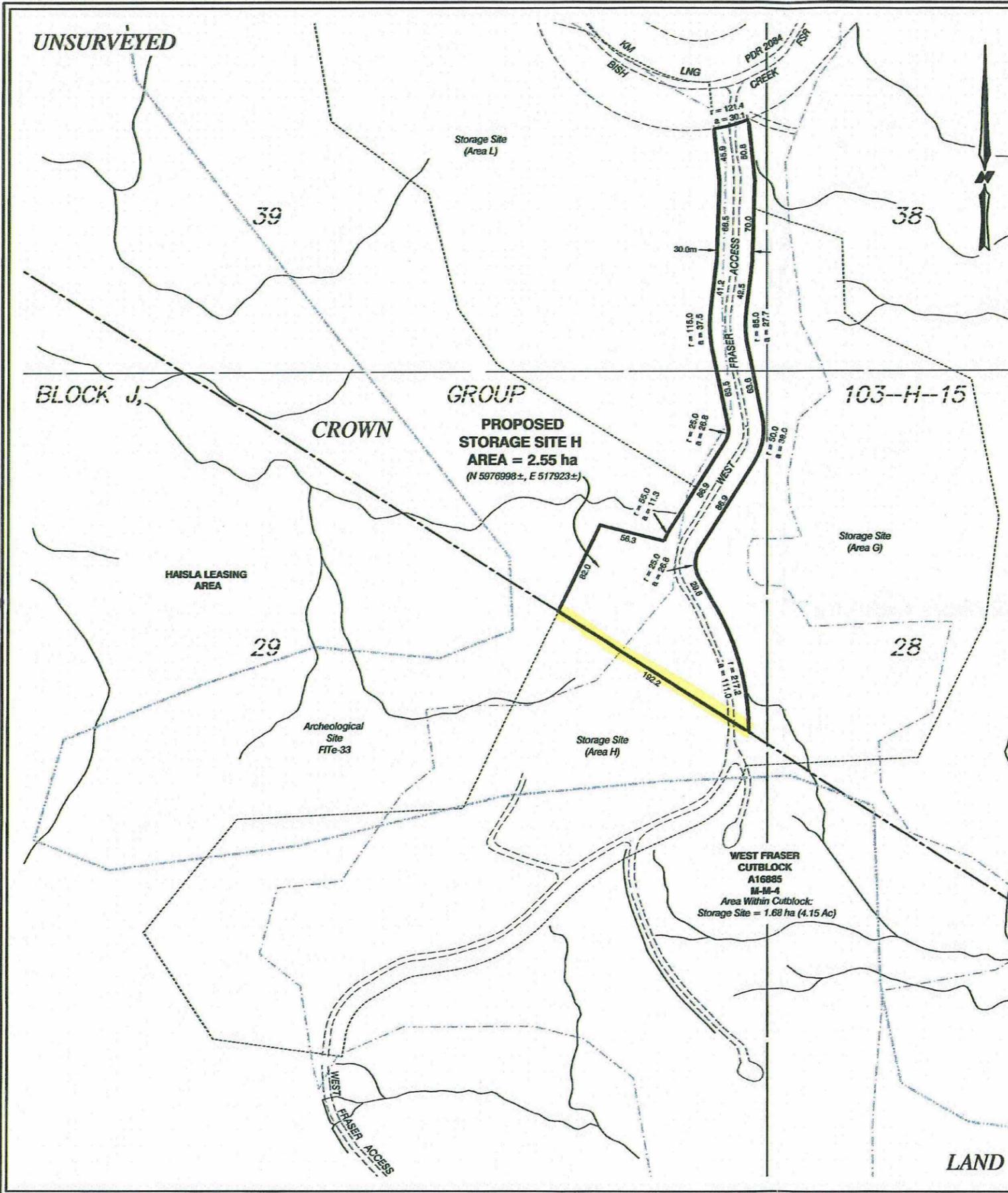
The attached plan(s) form an integral part of this authorization.



Justin Anderson
Natural Resource Officer

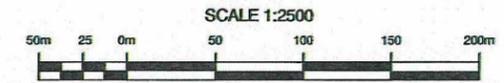
cc: FLNRO – Kalum
Haisla Nation
Scott Land and Lease

9636457



**SKETCH PLAN SHOWING
 PROPOSED STORAGE SITE
 WITHIN UNITS 29 AND 39
 BLOCK J, GROUP 103-H-15
 UNSURVEYED CROWN LAND
 RANGE 4 COAST DISTRICT**

BCGS 103H . 097



KM LNG OPERATING LTD.

REFERENCE TABLE OF AREA REQUIRED

| CROWN LAND | NEW CUT | EXISTING | TOTAL |
|------------------------------------|----------------|----------------|----------------|
| SOIL STORAGE SITE | 2.46 ha | 0.09 ha | 2.55 ha |
| TOTAL = | 2.46 ha | 0.09 ha | 2.55 ha |
| TOTAL DISTURBANCE = 2.55 ha | | | |

Maximum Elevation = 147m±
 Maximum Slope = 35% ± (Average = 7% ±)

ALL DIMENSIONS ARE IN METRES AND DECIMALS THEREOF.
 ALL COORDINATES SHOWN ARE FOR THE CENTROID
 SHOWN IN NAD 83 (CSRS) UTM ZONE 9.

LEGEND :

- Cutblock Boundary shown thus :
- Haista Leasing Boundary Area shown thus :
- Archeological Site shown thus :

| REVISION | DESCRIPTION | DD/MM/YY |
|----------|----------------------------------|----------|
| 1 | CONVERTED ACCESS TO STORAGE SITE | 14/01/14 |
| 0 | ORIGINAL PLAN PREPARED | 30/10/13 |

DRAWING: J21774SK2 JOB: 3111-21774 EPASS: 10044496

DRAWN BY : FC
 PARTY CHIEF :
 CHECKED BY : EH

McELHANNEY GEOMATICS
 Professional Land Surveying Ltd.
 8808 - 72nd Street
 Fort St. John, British Columbia
 Phone: (250)787-0356, Fax: (250)787-0310

9130457

**SKETCH PLAN SHOWING
PROPOSED STORAGE SITE
WITHIN UNIT 29
BLOCK J, GROUP 103-H-15
UNSURVEYED CROWN LAND
RANGE 4 COAST DISTRICT**

BCGS 103H.097



KMLNG OPERATING LTD.

| REFERENCE TABLE OF AREA REQUIRED | | | |
|----------------------------------|------------------|---------|---------|
| HASLA LEASING AREA | NEW CUT EXISTING | TOTAL | |
| | 7.75 ha | 0.48 ha | 8.23 ha |
| STORAGE SITE | | | |
| | 7.75 ha | 0.48 ha | 8.23 ha |
| TOTAL DISTURBANCE | = 8.23 ha | | |

Maximum Elevation = 147m±
Maximum Slope = 35% ± (Average = 7% ±)
ALL DIMENSIONS ARE IN METRES AND DECIMALS THEREOF.
ALL COORDINATES SHOWN ARE FOR THE CENTROID
SHOWN IN NAD 83 (CSRS) UTM ZONE 5.

LEGEND:

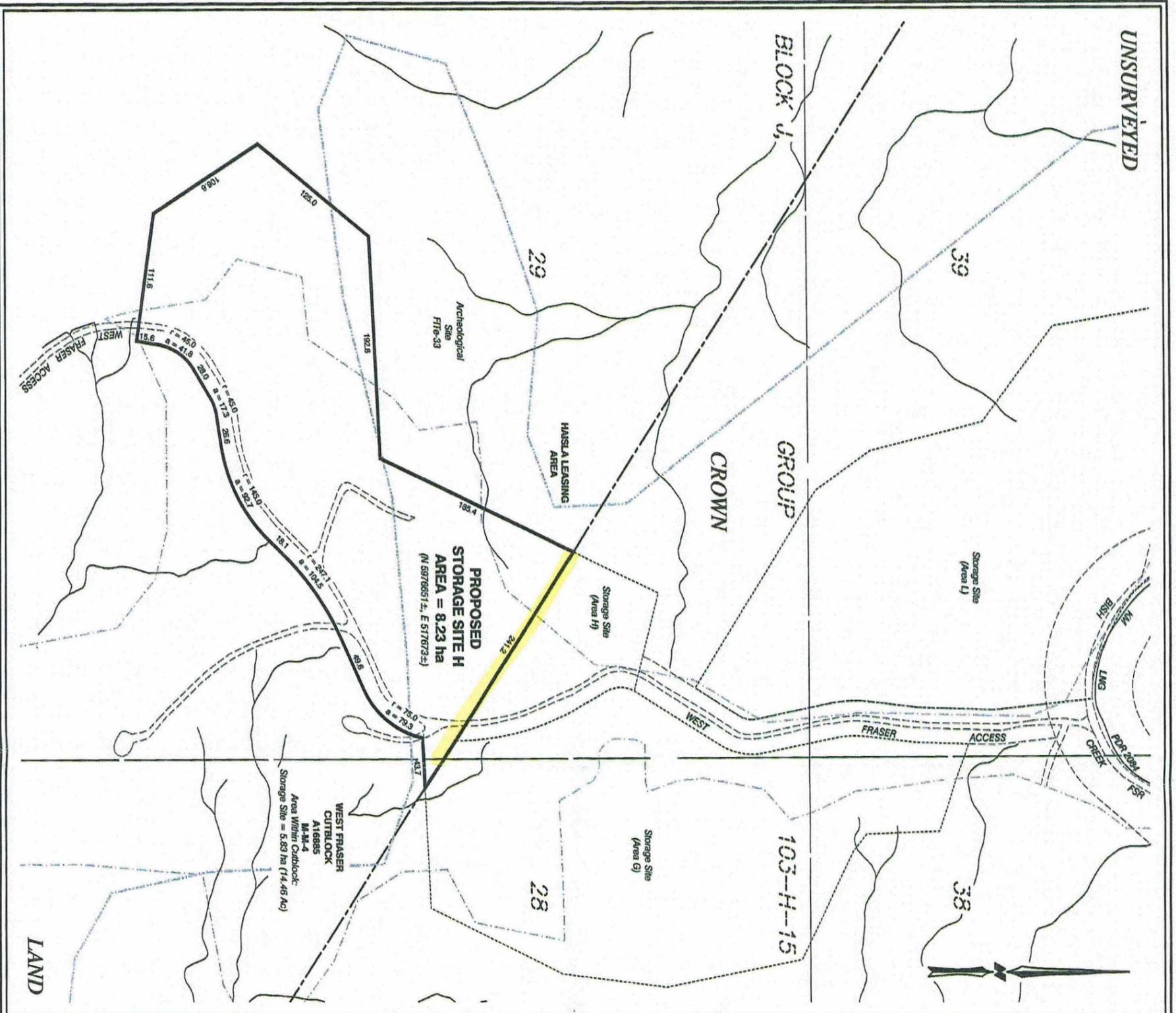
- Cutback Boundary shown thus:
- Hasla Leasing Boundary Area shown thus:
- Archaeological Site shown thus:

| EPASS: 1004485 | DESCRIPTION | DATE |
|----------------|---|----------|
| 5 | REMOVED STORAGE SITE WITHIN CROWN LAND | 29/10/13 |
| 4 | ADDED HASLA LEASING BOUNDARY AND UPDATE AREA TABLE | 24/07/13 |
| 3 | DECREASED SIZE OF STORAGE SITE H AND ADDED NEW EPASS NUMBER | 19/09/12 |
| 2 | SEPARATE OUT ACCESS AND AREA | 23/07/12 |
| 1 | AMEND STORAGE SITE G IN SCENERY TO BORROW AREA G | 31/01/12 |
| 0 | ORIGINAL PLAN PREPARED | 27/01/12 |

DRAWING: 21774SK1
JOB: 3111-21774/3111-0197-16-94
DRAWN BY: ACP
PARTY CHIEF:
CHECKED BY: SDP
REVISION: 5

McElhannney GEOMATICS
Professional Land Surveying Ltd.
8808 - 72nd Street
Fort St. John, British Columbia
Phone: (250) 782-2222 Fax: (250) 782-2219

McElhannney



UNSURVEYED

BLOCK J,

GROUP CROWN

103-H-15

LAND



OGC File: 9636457

February 6, 2014

KM LNG Operating Ltd.
500 - 5th Avenue SW
Calgary AB T2P 0L7

Attention: Surface Land Administrator

Re: Storage Area Permit-Section 14 over Crown Land and Private Land, Range 4 Coast District, within unit 29 and 39, Block J, 103-H-15, Amendment

Date of Issuance: February 6, 2014
Commission File No: 9636457
Applicant File No.: KM-0014-F1

PERMISSIONS

The BC Oil and Gas Commission ("Commission") hereby authorizes the holder of permit number 9636457, under section 14 of the Land Act, to be amended removing sketch plan Job: 3111-01197-16-94, Drawing: 01197-16-94SK1, Revision 3 and replacing with the following:

1. The permit is amended to authorize KM LNG Operating Ltd. to occupy 2.55 ha of Crown land within the area indicated on the attached sketch plan Job: 3111-21774, Drawing: J21774SK2, Revision1 dated January 14, 2014.
2. The permit is amended to authorize KM LNG Operating Ltd. to occupy 8.23 ha of private land within the area indicated on the attached sketch plan Job: 3111-21774/3111-0197-16-94, Drawing: 21774SK1, Revision 5, dated October 29, 2013.

The permit holder must comply with all other conditions in the original authorization.

This document forms an integral part of the authorization and should be attached hereto.

A handwritten signature in black ink, appearing to read 'Justin Anderson'.

Justin Anderson
Natural Resource Officer

pc: Haisla Nation
pc: Scott Land and Lease

OGC File: 9636457

October 11, 2012

KM LNG Operating Ltd.
1000, 700 - 9th Ave SW
Calgary, Alberta T2P 3V4

Attention: Surface Land Administrator

Re: Storage Area - Section 14 over Crown Land, Peace River District
within units 29 and 39, Block J, 103-H-15

This permits you, under Section 14 of the *Land Act* to enter onto Crown land as per the attached plans, called 'the site' in this Permit, for a period of two years from the date of approval, under Authorization Number 939114.

This project is approved subject to the following conditions:

1. You will enter onto the site solely for the purpose of "constructing a Storage Area".
2. You indemnify the Province of British Columbia (the Province) and the Oil and Gas Commission against all losses, damages, costs and liabilities arising out of any breach or non-performance of any condition or agreement set out in this Permit and any personal injury, death or property damage occurring on the site, or happening by virtue of your occupation of the site, and the amount of such losses, damages and costs shall be payable to the Province or the Oil and Gas Commission immediately.
3. You will restore the site to the satisfaction of the Oil and Gas Commission following expiration or cancellation of this Permit.
4. In the event that cultural heritage materials or features are encountered during development, disturbance activities in the area of concern must cease, and the Oil and Gas Commission should be notified as soon as possible so that management strategies can be initiated.
5. Pursuant to the *Forest and Range Practices Act*, approval is hereby granted to cut and remove timber from the areas of Crown land within the area that is designated on the Construction Plan.

Master License to Cut No.: M02304
Cutting Permit No.: 4
Timber Mark No.: MSZ 438
Kalum Forest District

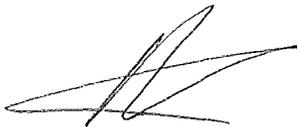
6. This Cutting Permit expires October 10, 2014. The Oil and Gas Commission must be contacted and approval obtained prior to any changes to the attached Construction Plan.

7. This Cutting Permit is subject to the terms and conditions in the Master Licence to Cut.
8. The felling, bucking and utilization specifications in the Master License to Cut apply to this Cutting Permit.
9. Stumpage required to be paid under this cutting permit will be calculated using a tabular stumpage rate. A tabular stumpage rate must be obtained from the Ministry of Forest, Land and Natural Resource Operations prior to transporting timber out of the project area.
10. 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.
11. 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."
12. All merchantable timber under this permit must be utilized where operationally feasible and all volumes utilized must be reported to the Oil and Gas Commission within 60 days of completion of the clearing phase of the activity.
13. Prior to harvesting, any clearing authorized by this Cutting Permit must be clearly defined on the ground by ribboning or blazing.

Additional Conditions:

1. KM LNG Operating Ltd. must adhere to the terms and conditions for the alteration of archaeology site FITe-33 as detailed in permit 2012-9005, issued under section 12 of the Heritage Conservation Act.
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 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
 - 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 the Heritage Conservation Act, endorsed by a qualified archaeologist, and approved by the Commission.
3. The 1.12 hectare proposed access road included in this application, as identified on the construction plan, is permitted under this authorization.

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



Ryan Stark
Natural Resource Officer

pc: FLNRO – Kalum
pc: Haisla Nation



11 October 2012

OGC Reference Number: 9636457

Section 12 Site Alteration Permit Number: 2012-9005

Archaeological Consultant's HCA Section 14 Permit: 2011-0295

Heritage Conservation Act

Section 12 Site Alteration Permit

This certifies that KM LNG Operating Ltd. is hereby authorized to construct a storage area within the site described below, subject to the terms and conditions attached hereto.

Alteration to the archaeological site assigned Borden number FITE-33 may occur as the result of construction of Storage Area H, Units 29 & 39, Block J, 103-H-15.

All work is to conform to the "Application for Alteration Permit" dated 21 September 2012 and Special Terms and Conditions attached hereto.

Disposition of materials collected go to:

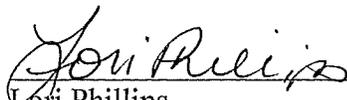
Kitimat Museum and Archives
239 City Centre
Kitimat Canada BC V8C 1T6

Issued: 11 October 2012

Expiry: 31 December 2013

Commissioner of the Oil and Gas Commission

Per:


Lofi Phillips
Cultural Heritage Resource Officer

SPECIAL TERMS AND CONDITIONS

Section 12, Heritage Conservation Act Permit 2012-9005 For Site FITE-33

- 1) If a previously unknown CMT is identified within the FITE-33 boundary, KM LNG Operating Ltd. will provide digital photos and UTM coordinates to Haisla Nation Council and the Oil and Gas Commission prior to any site alteration.
- 2) A report detailing the post construction observations of the final alteration level of FITE-33 must be submitted by the attending archaeology company to the Oil and Gas Commission and to the Archaeology Branch, Ministry of Forests, Lands and Natural Resource Operations no later than 31 December 2013.
- 3) The attending archaeology company must submit to the Oil and Gas Commission and to the Archaeology Branch, Ministry of Forests, Lands and Natural Resource Operations an updated Site Inventory Form detailing the extent to which the site has been altered.