



OGC File: 9636458

September 10, 2014

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

Attention: Surface Land Administrator

Re: Aggregate Operations - Section 14 over Crown Land and Private Land, Range 4 Coast District within Unit 21, Block K and Unit 30, Block J, 103-H-15

KM LNG Operating Ltd. (the operator) 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 945486.

This project is approved subject to the following conditions:

1. The Permit holder is authorized to occupy 1.35 ha of Crown land within the area indicated on the attached sketch plan: JOB: 3111-22014, DRAWING: J22014SK2, REVISION 0, dated November 7, 2013.
2. The Permit holder is authorized to occupy 2.20 ha of private land within the area indicated on the attached sketch plan: JOB: 3111-22014/2321-01197-0, DRAWING: J22014SK1, REVISION 1, dated November 7, 2013.
3. The Permit holder will enter onto the site solely for the purpose of extracting approximately 40,000 tonnes per year, of soil, clay, rock, sand or gravel, considered borrow materials, to be used only in the construction or maintenance of the company's oil and gas infrastructure. The total volume extracted shall not exceed 250,000 tonnes per year, per pit.
4. Aggregate operations associated with authorization are considered a mining activity under the Mines Act. The Permit holder must obtain a Mines Act permit issued by the Ministry of Energy and Mines prior to the commencement of operations.
5. Material excavated under this permit will not be produced for "sale" to or used by any party other than the named proponent.
6. The Permit holder will maintain the record of the total volume of material extracted from this site and the total volumes of material utilized for each type of activity. The Permit holder shall report the record of volumes to the BC Oil and Gas Commission, annually or upon completion of final Permit activities, whichever comes first.
7. The Permit holder will restore the site to the satisfaction of the Oil and Gas Commission Environmental Management & Reclamation, following expiration or cancellation of this Permit.

8. The Permit holder will give two days prior notice to the BC Oil and Gas Commission, Compliance and Enforcement Branch, of initial construction start and any subsequent recommencements of operations.
9. The Permit holder will notify the BC Oil and Gas Commission, Environmental Management & Reclamation and Permit Operations & Administration Branches, upon completion of final activities, including reclamation.
10. Responsibility for and declaration of materials removed lies solely with the named proponent. In the event of a discrepancy in relation to the total volume of materials removed, the proponent shall, at the request of the Province of British Columbia (the Province) and/or the BC Oil and Gas Commission, conduct a survey by a British Columbia Land Surveyor to determine the volume of materials removed. This survey will be at the proponent's expense.
11. This aggregate operation is subject to the Health, Safety and Reclamation Code of British Columbia.
12. The operator 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.
13. 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 personal injury, death, property damage, or third party or public liability claims arising from any accident or occurrence on the site.
14. 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.
15. 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.
16. 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. 5, 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 441.
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. The utilization of merchantable timber is not mandatory for this permit.
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 2.63 ha within the aggregate operations 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.



Lori Phillips  
Review Approval Resource Officer

cc: FLNRO – Kalum Forest District  
Haisla Nation  
Scott Land and Lease

**SKETCH PLAN SHOWING  
PROPOSED BORROW PIT  
WITHIN UNIT 21 BLOCK K AND  
UNIT 30, BLOCK J, GROUP 103-H-15  
UNSURVEYED CROWN LAND  
HAISLA LEASING AREA  
RANGE 4 COAST DISTRICT**

BCGS 103H . 097

SCALE 1:2500



**KM LNG OPERATING LTD.**

REFERENCE TABLE OF AREA REQUIRED			
HAISLA LEASING AREA	NEW CUT	EXISTING	TOTAL
BORROW PIT	1.78 ha	0.42 ha	2.20 ha
TOTAL =	1.78 ha	0.42 ha	2.20 ha
TOTAL DISTURBANCE = 2.20 ha			

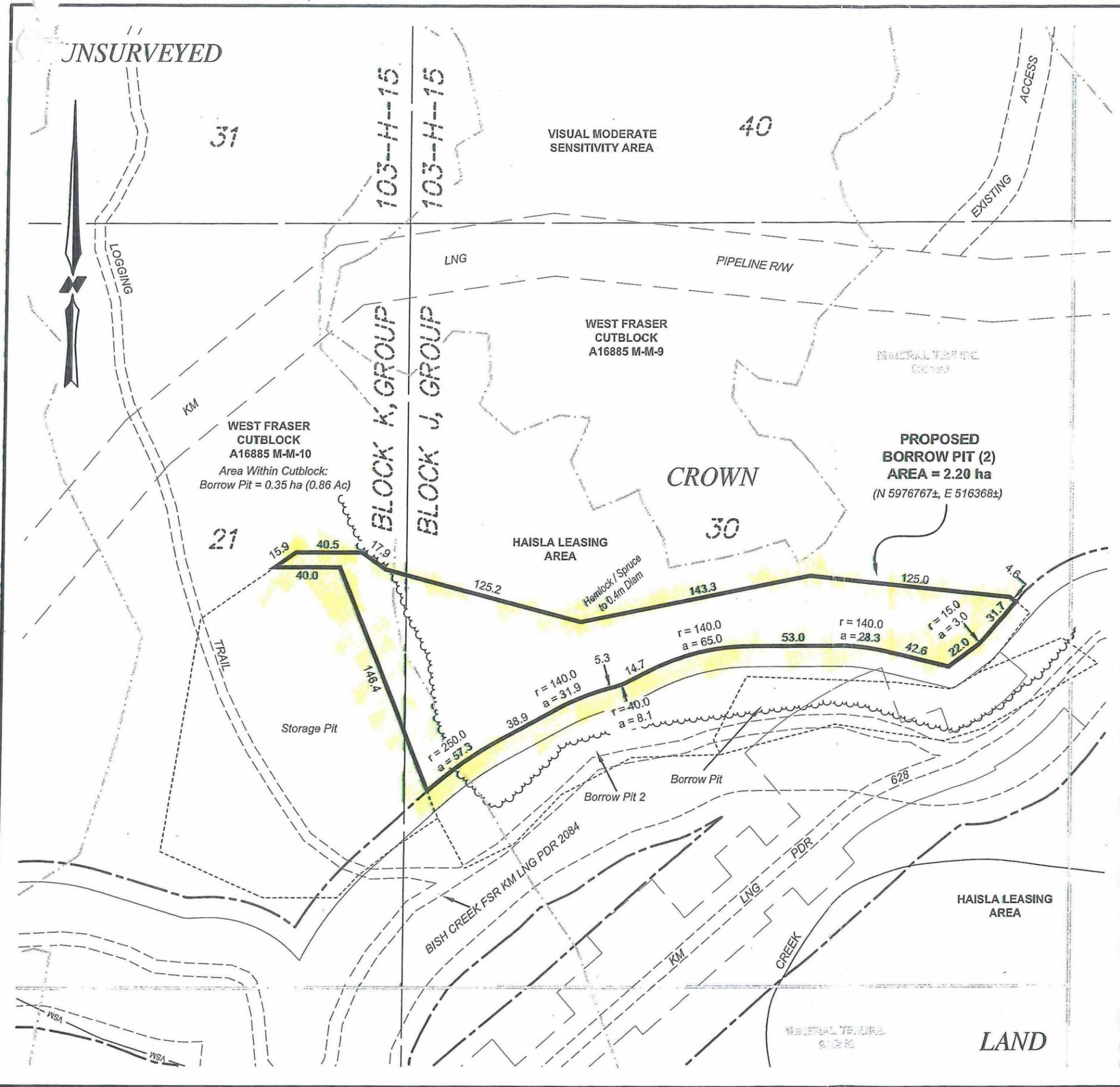
ALL DIMENSIONS ARE IN METRES AND DECIMALS THEREOF.  
COORDINATES SHOWN ARE NAD 83 (CSRS) UTM ZONE 9.  
ALL COORDINATES SHOWN ARE FOR THE CENTROID  
SHOWN IN NAD 83 (CSRS) UTM ZONE 9.

**LEGEND :**

- Cutblock Boundary shown thus :
- Visual Moderate Sensitivity Area shown thus : VSM VSM
- Mineral Tenure shown thus :
- Haisla Leasing Boundary Area shown thus :
- Treeline shown thus :

REVISION	DESCRIPTION	DD/MM/YY
1	DECREASED BORROW PIT AREA AND UPDATED PLAN	07/11/13
0	ISSUE FOR APPROVALS(JOB 2321-01197-0)	08/02/12

DRAWING: J22014SK1	JOB: 3111-22014/2321-01197-0	EPASS: 10044721
DRAWN BY : RJH	McELHANNEY GEOMATICS Professional Land Surveying Ltd. 8808 - 72nd Street Fort St. John, British Columbia Phone: (250) 787-0356, Fax: (250) 787-0310	
PARTY CHIEF :		
CHECKED BY : CJH		
REVISION : 1		



9636458





OGC File: 9636458

February 6, 2014

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

Attention: Surface Land Administrator

Re: Aggregate Operations Permit-Section 14 over Crown Land and Private Land, Range 4 Coast District, within unit 21, Block K and unit 30, Block J, 103-H-15, Amendment

Date of Issuance: February 6, 2014  
Commission File No: 9636458  
Applicant File No.: KM-0015-F-1

#### PERMISSIONS

The BC Oil and Gas Commission ("Commission") hereby authorizes the holder of permit number 9636458, under section 14 of the Land Act, to be amended removing sketch plan Job: 2321-01197-0, Drawing: 01197SK-BP2, Revision 0 and replacing with the following:

1. The permit is amended to authorize KM LNG Operating Ltd. to occupy 1.35 ha of Crown land within the area indicated on the attached sketch plan Job: 3111-22014, Drawing: J22014SK2, Revision 0, dated November 7, 2013.
2. The permit is amended to authorize KM LNG Operating Ltd. to occupy 2.20 ha of private land within the area indicated on the attached sketch plan Job: 3111-22014/2321-01197-0, Drawing: J22014SK1, Revision 1, dated November 7, 2013.

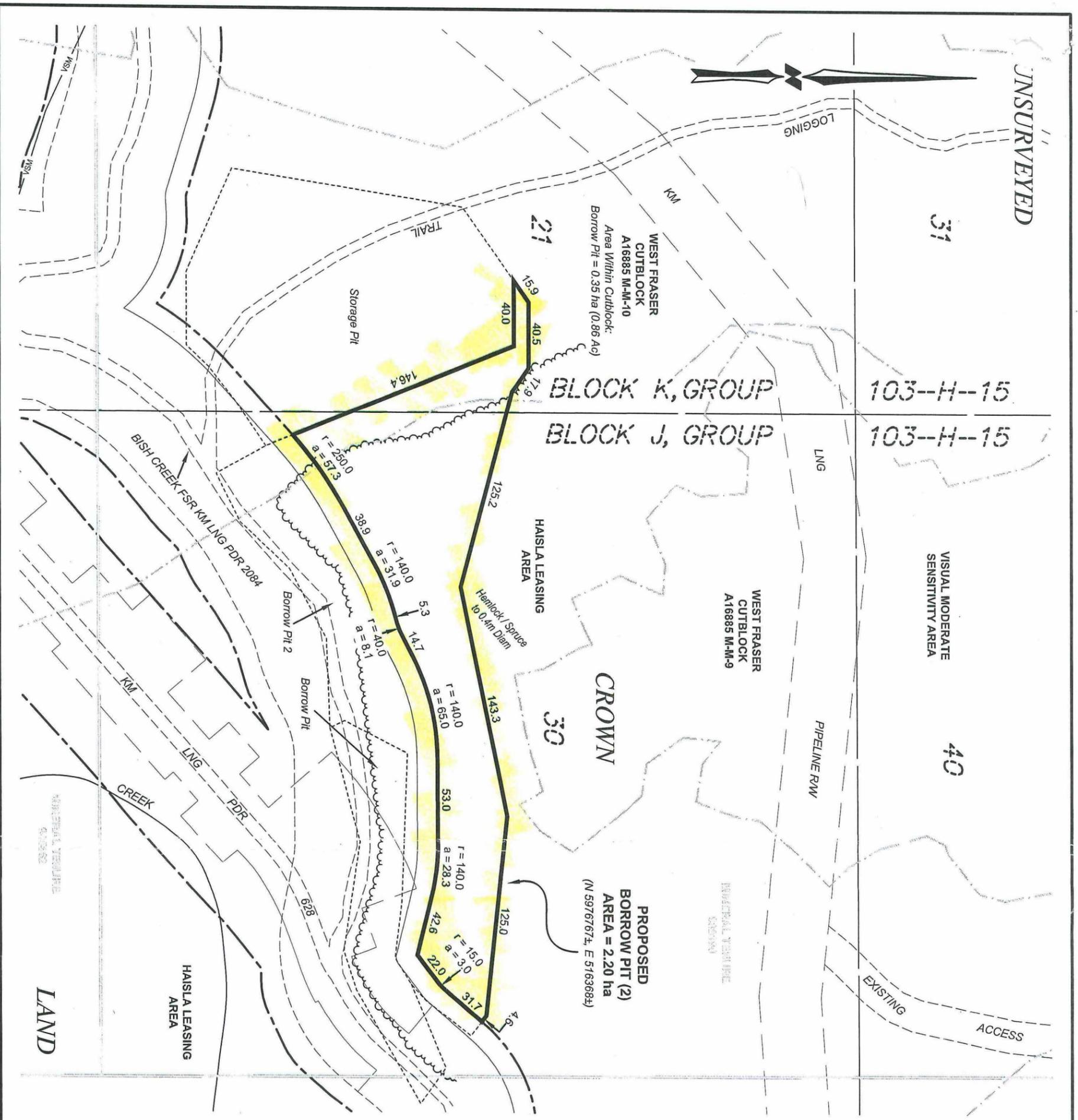
The permit holder must comply with all other conditions in the original authorization.

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

A handwritten signature in blue ink, appearing to read 'Justin Anderson', is written over a horizontal line.

Justin Anderson  
Natural Resource Officer

pc: Haisla Nation  
pc: Scott Land and Lease



**SKETCH PLAN SHOWING  
PROPOSED BORROW PIT  
WITHIN UNIT 21 BLOCK K AND  
UNIT 30, BLOCK J, GROUP 103-H-15  
UNSURVEYED CROWN LAND  
HAISLA LEASING AREA  
RANGE 4 COAST DISTRICT**

BCGS 103H . 097

SCALE 1:2500



**KMLNG OPERATING LTD.**

REFERENCE TABLE OF AREA REQUIRED		
HAISLA LEASING AREA	NEW CUT/EXISTING	TOTAL
BORROW PIT	1.78 ha	0.42 ha
TOTAL	1.78 ha	0.42 ha
TOTAL DISTURBANCE = 2.20 ha		2.20 ha

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

**LEGEND:**

Cutblock Boundary shown thus:	VSM	VSM
Visual Moderate Sensitivity Area shown thus:	VSM	VSM
Mineral Tenure shown thus:	VSM	VSM
Haisla Leasing Boundary Area shown thus:	VSM	VSM
Treeline shown thus:	VSM	VSM

REVISION	DESCRIPTION	DD/MM/YY
1	DECREASED BORROW PIT AREA AND UPDATED PLAN	07/11/13
0	ISSUE FOR APPROVALS (JOB 2321-01197-0)	08/02/12

DRAWING: J22014SK1      JOB: 3111-22014/2321-01197-0      EPASS: 10044721

DRAWN BY: RJH

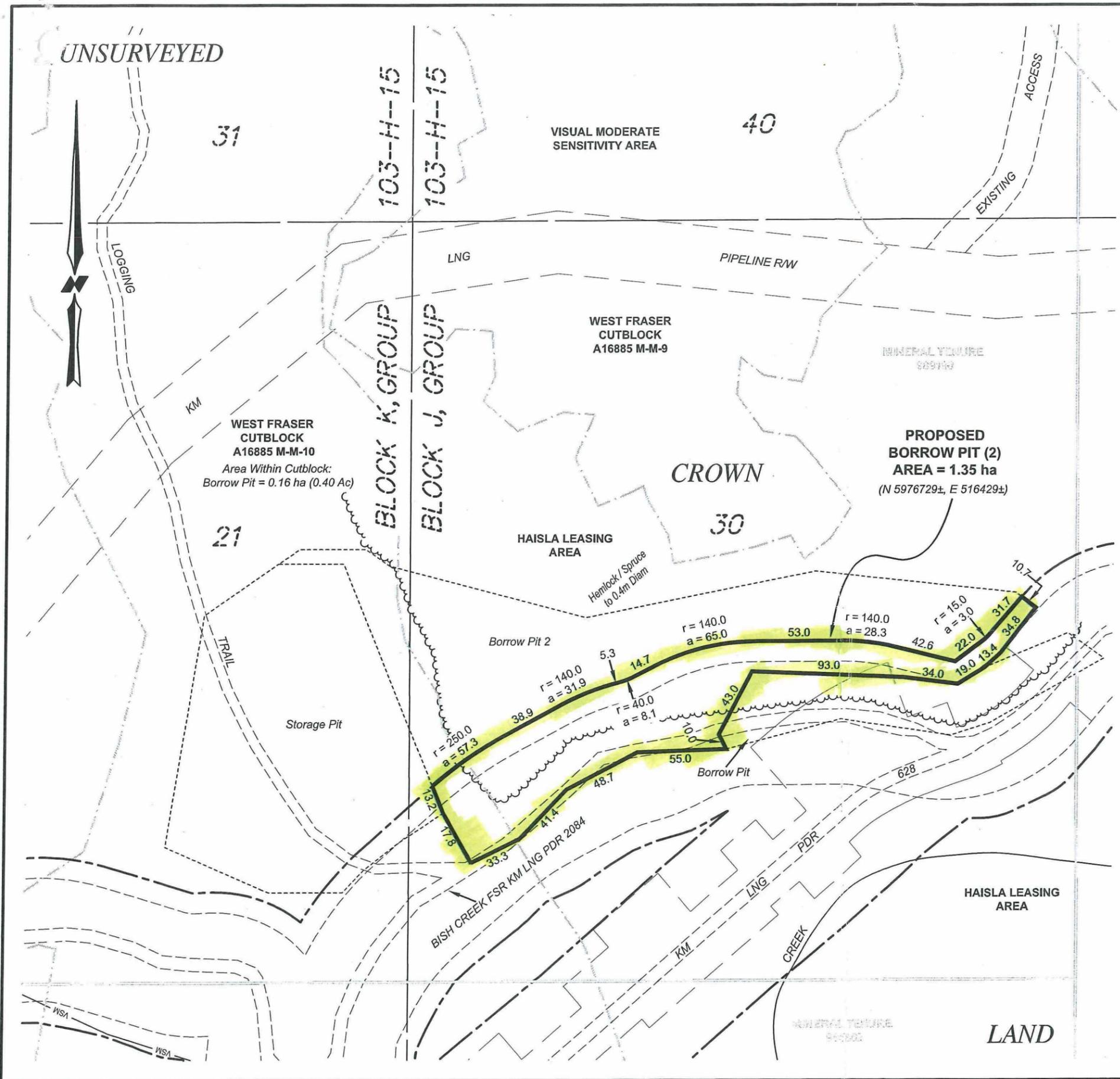
PARTY CHIEF: **McELHANNNEY GEOMATICS**  
Professional Land Surveying Ltd.  
8808 - 72nd Street  
Fort St. John, British Columbia  
Phone: (250) 787-0356 Fax: (250) 787-0310

CHECKED BY: CJH

REVISION: 1

**McElhannney**

9636453



**SKETCH PLAN SHOWING  
PROPOSED BORROW PIT  
WITHIN  
UNIT 30, BLOCK J, GROUP 103-H-15  
UNSURVEYED CROWN LAND  
RANGE 4 COAST DISTRICT**

BCGS 103H . 097

SCALE 1:2500



**KM LNG OPERATING LTD.**

REFERENCE TABLE OF AREA REQUIRED			
CROWN LAND	NEW CUT	EXISTING	TOTAL
BORROW PIT	0.85 ha	0.50 ha	1.35 ha
TOTAL =	0.85 ha	0.50 ha	1.35 ha
TOTAL DISTURBANCE = 1.35 ha			

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

**LEGEND :**

- Cutblock Boundary shown thus :
- Visual Moderate Sensitivity Area shown thus : VSM VSM
- Mineral Tenure shown thus :
- Haisla Leasing Boundary Area shown thus :
- Treeline shown thus :

0	ORIGINAL PLAN PREPARED	07/11/13
REVISION	DESCRIPTION	DD/MM/YY
DRAWING: J22014SK2	JOB: 3111-22014	EPASS: 10044721
DRAWN BY : FC	McELHANNEY GEOMATICS Professional Land Surveying Ltd. 8808 - 72nd Street Fort St. John, British Columbia Phone: (250) 787-0356, Fax: (250) 787-0310	
PARTY CHIEF :		
CHECKED BY : EH		
REVISION : 0		

9636458

OGC File: 9636458

September 10, 2012

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

Attention: Surface Land Administrator

Re: Aggregate Operations - Section 14 over Crown Land, Peace River District  
within c-30-J and d-21-K, all within 103-H-15.

KM LNG Operating Ltd. (the operator) 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 939129.

This project is approved subject to the following conditions:

1. The operator will enter onto the site solely for the purpose of extracting approximately 40,000 tonnes per year, of soil, clay, rock, sand or gravel, considered borrow materials, to be used only in the construction or maintenance of the company's oil and gas infrastructure. The total volume extracted shall not exceed 250,000 tonnes per year, per pit.
2. Responsibility for and declaration of materials removed lies solely with the named proponent. In the event of a discrepancy in relation to the total volume of materials removed, the proponent shall, at the request of the Province of British Columbia (the Province) and/or the BC Oil and Gas Commission, conduct a survey by a British Columbia Land Surveyor to determine the volume of materials removed. This survey will be at the proponent's expense.
3. This aggregate operation is subject to the Health, Safety and Reclamation Code of British Columbia.
4. The operator 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. 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.
6. The total volume of material extracted from this site must be reported to the BC Oil and Gas Commission upon completion of the project.
7. The Operator is to notify the BC Oil and Gas Commission upon completion of the site reclamation.

8. The Operator is to restore the site according to the reclamation plan as prepared by a qualified professional, to the satisfaction of the BC Oil and Gas Commission upon completion of operations or the expiration or cancellation of this Permit.
9. 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.: 5  
Timber Mark No.: MSZ 441  
Kalum Forest District
10. This Cutting Permit expires September 10, 2014. The Oil and Gas Commission must be contacted and approval obtained prior to any changes to the attached Construction Plan.
11. Prior to harvesting, any clearing authorized by this Cutting Permit must be clearly defined on the ground by ribboning or blazing.
12. 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 personal injury, death, property damage, or third party or public liability claims arising from any accident or occurrence on the site.
13. 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.
14. 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.
15. 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 conditions 13 or 14 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 conditions 13 or 14 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 conditions 13 or 14.

16. The permit holder must pay, when due, the Fees to the address set out in the attached covering letter.
17. The permit holder must not assign, sublicense or transfer this permit without the Commission's written consent.
18. The permit holder must notify the Commission 48 hours prior to commencing construction.
19. This permit expires two years from the date of issuance.
20. Within 60 days of the completion of the clearing phase of the activity authorized, the permit holder must submit to the Commission a Post-construction plan as an ePASS shape file identifying the location of the total area actually cleared under this permit.

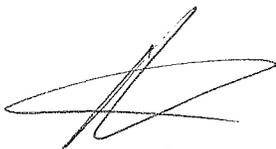
Additional Conditions:

1. An Archaeological Impact Assessment is required for the proposed development area prior to any development activities taking place.
2. If an archaeological site is recorded as a result of this assessment, a report must be submitted immediately to the Oil and Gas Commission and all mitigation measures must be approved by OGC archaeology staff prior to the start of construction.
3. If no archaeological site is recorded during this assessment, an AIA report is still required and must be submitted to the OGC as soon as possible as per the Guidelines for the Performance-Based Approach to Archaeological Assessments.
4. In the event a heritage site, heritage object, or any other feature, place or material that may contain historical or archaeological value as defined by the Heritage Conservation Act [RSBC 1996] Chapter 187 is encountered, the permit holder must cease disturbance activities and immediately notify the Oil and Gas Commission.
5. Aggregate operations associated with this authorization are considered a mining activity under the Mines Act. The Permit holder must obtain a Mines Act permit issued by the Ministry of Energy, Mines and Petroleum Resources prior to the commencement of operations.

Advisory Guidance:

1. Stumpage required to be paid under this cutting permit will be calculated using a tabular stumpage rate. A tabular stumpage rate can be obtained from the Ministry of Forest, Land and Natural Resource Operations.

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



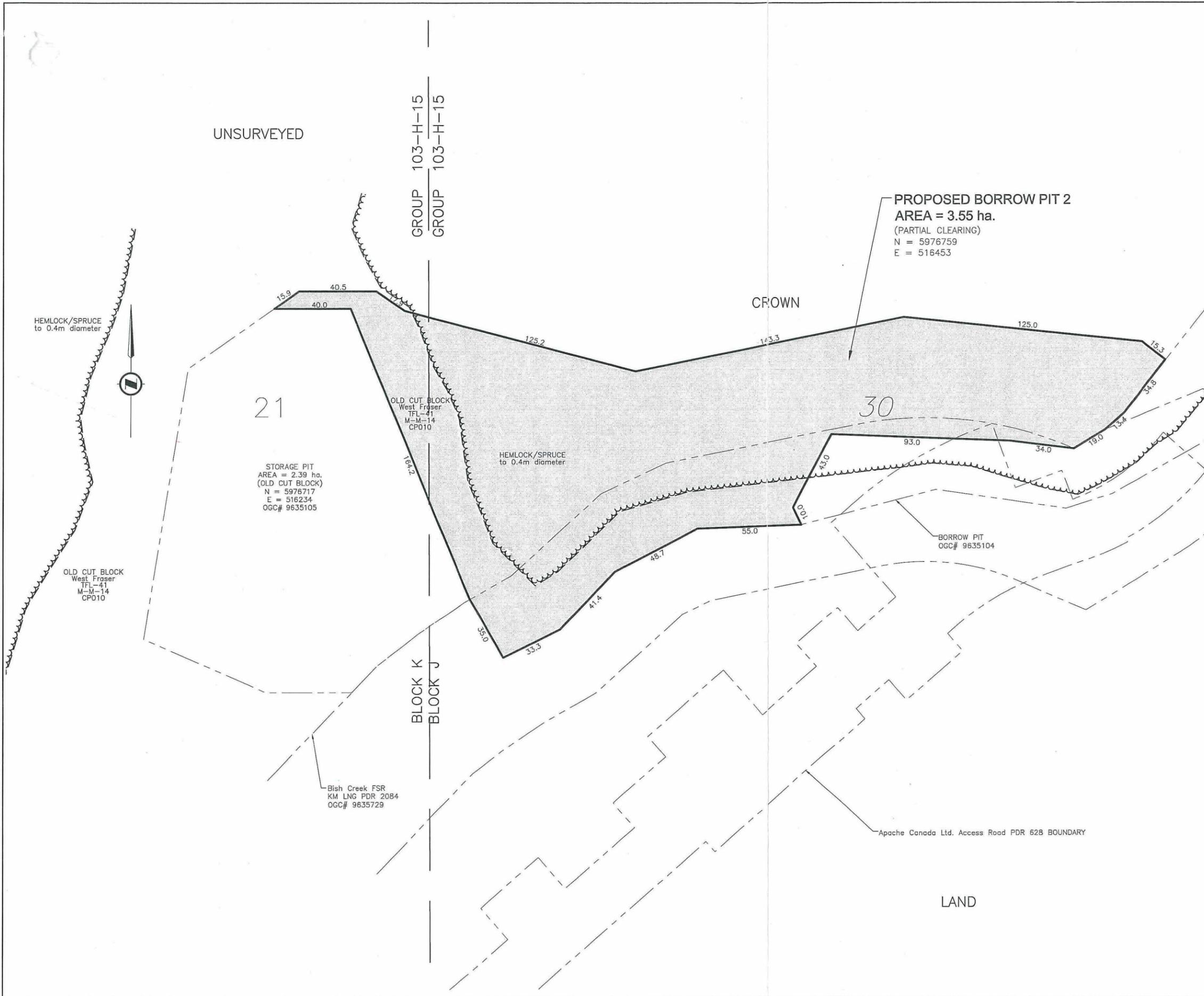
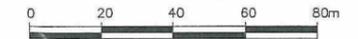
Ryan Stark  
Natural Resource Officer

pc: FLNRO – Kalum Forest Office.

SKETCH PLAN SHOWING  
 PROPOSED BORROW PIT 2,  
 WITHIN  
 UNIT 21, BLOCK K, AND UNIT 30, BLOCK J,  
 GROUP 103-H-15,  
 UNSURVEYED CROWN LAND AND FOREST TENURE  
**RANGE 4, COAST DISTRICT**

BCGS: 103H. 097

HORIZONTAL SCALE 1:2000



9636458

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

AREAS (MAXIMUM DISTURBANCE):

	NEW CUT	EXISTING CLEARING	TOTAL
BORROW PIT 2	2.63 ha.	0.92 ha.	3.55 ha.
TOTAL DISTURBANCE	2.63 ha.	0.92 ha.	3.55 ha.

LEGEND:  
 Vegetation Changes shown thus:   
 Treeline shown thus:   
 Existing Right of Ways:   
 Projected BORROW PIT Limits:

No.	REVISIONS	BY	DATE	CKD.
0	ISSUED FOR APPROVALS	RJH	FEB.08, 2012	CJH

DRAWING : 01197SK-BP2      JOB : 2321-01197-0      EPASS : 10037521

McElhanney Consulting Services Ltd.  
 SUITE 1 - 5008 POHLE AVENUE      PH (250) 635-7153  
 TERRACE BC V8G 4S8      FAX (250) 635-9596

DRAWN BY : RJH  
 CHECKED BY : CJH  
 PARTY CHIEF :  
 REVISION : 0