

OGC File: 9638230

July 17, 2013

Pacific Trail Pipelines Management Inc.
Suite 2800, 421-7th Ave SW
Calgary, Alberta, T2P 4K9

Attention: Surface Land Administrator

Re: Geotechnical Investigation Permit- Section 14 over Crown Land, Range 5 Coast District, within a-65-G and b-65-G, 103-I-2.

Date of Issuance: July 17, 2013
Commission File No: 9638230
Applicant File No: PTP-0001

PERMISSIONS

The Oil and Gas Commission ("Commission") hereby authorizes the holder of permit number 9638230, under section 14 of the *Land Act*, to allow Pacific Trail Pipelines Management Inc. (the "permit holder") to occupy Crown land within the areas described as Little Wedeene River HDD Test Holes in the attached sketch plan CAN-AM FILE No. N20130114, CAD FILE No. N20130114SK1-0, Revision 0, dated April 17, 2013 as submitted to the Commission in the permit application dated May 22, 2013 (hereinafter referenced together as the "Site"), to conduct appraisals, inspections, analyses, inventories, surveys or other investigations under Authorization Number 941074, subject to conditions set out below.

CONDITIONS

1. The permit holder may use and occupy the Site only for the purposes of investigating the site for potential oil and gas activities and related activities as defined in the *Oil and Gas Activities Act*.
2. The total disturbance within the Site must not exceed 0.16Ha.
3. The permit holder will 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 within the Site, or happening by virtue of its 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.
4. 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.

5. The permit holder will restore the site to the satisfaction of the Oil and Gas Commission following expiration or cancellation of this Permit.
6. The authorization to occupy and use Crown land does not entitle the permit holder to exclusive possession of the Site. The permit holder will not interfere with any person found on the Site who has a public right of access over the Site or is using the Site pursuant to a prior or subsequent *Land Act* disposition.
7. The rights granted by this permit are 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*.
8. 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 (6) or (7) 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 (6) or (7) 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 (6) or (7).
9. The permit holder must pay to the Province, when due, the Fees to the address and in accordance with the instructions set out in the attached covering letter.
10. The permit holder must not assign or sub-tenure this Permit. The permit holder must not transfer this permit without the Commission's written consent, which consent may be granted or withheld at the Commission's sole discretion.
11. This permit expires two years from the date of issuance.
12. The permit holder must notify the Commission prior to commencing activities under this permit. Notification may be sent to C&E@bcogc.ca.
13. In the event that:
 - a. 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; or
 - b. any other cultural heritage material or feature

is encountered while conducting activities under this Permit, the permit holder must cease immediately disturbance activities and immediately notify the Commission.

14. 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 accurately identifying the locations of the overall disturbance within the Site.
15. The permit holder must abide by and comply with all applicable laws, bylaws, orders, directions, ordinances, and regulations of any government authority having jurisdiction in any way affecting its use or occupation of the Site, including, without limitation, the provisions of the *Land Act* and the provisions of this Permit.

CUTTING PERMIT AUTHORIZATION

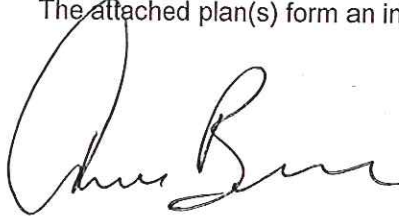
Pursuant to section 47.4 of the *Forest Act*, the Commission hereby issues Cutting Permit No. 18, under Master License to Cut number M02280, Kalum Forest District, to cut and remove timber from the areas of Crown land within the area within the Site subject to the following conditions:

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 924.
4. The felling, bucking and utilization specifications in the Master License to Cut apply to this Cutting Permit.
5. The permit holder will restore the site to the satisfaction of the Oil and Gas Commission following expiration or cancellation of this Permit.
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 0.16Ha within the Site.

ADDITIONAL CONDITIONS

1. The Permit holder is advised that a Conservation Data Centre (CDC) rare species occurrence polygon (Bog Adder's Mouth Orchid-blue listed) exists within the program area. Polygon data can be viewed on the Terrestrial Information of BC website at: <http://www.env.gov.bc.ca/cdc/access.html>. Questions about the polygon information presented on this website can be directed to the Conservation Data Centre at 1-800-663-7867.
2. The permit holder must notify Haisla Nation office prior to project commencement.
3. The permit holder must notify the Kitselas First Nation office prior to commencement of project.

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



Amber Bergen
Natural Resource Officer

pc: FLNRO – Kalum
pc: Haisla Nation, Kitselas First Nation

