



OGC File: 9638483

January 17, 2014

Nexen Energy ULC
801-7th Avenue SW
Calgary, Alberta
T2P 3P7

Attention: Surface Land Administrator

Re: Investigative Use Permit- Section 14 over Crown Land, Range 5 Coast District
within Units 1, 11, 21, 22, 31 Block D & Units 9, 10, 20, 30 Block C, 103-J-08.

Date of Issuance: January 17, 2014
Commission File No: 9638483

PERMISSIONS

The Oil and Gas Commission ("Commission") hereby authorizes the holder of permit number 9638483, under section 14 of the *Land Act*, to allow Nexen Energy ULC (the "permit holder") to occupy Crown land within the areas described as geotechnical pad, access trail, temporary camp and temporary workspace in the attached map, File No. CA015685_R1.mxd, Revision 1 dated August 2, 2013 as submitted to the Commission in the permit application dated August 9, 2013 (hereinafter referenced together as the "Site"), to conduct appraisals, inspections, analyses, inventories, surveys or other investigations under Authorization Number 941634, 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
 - a. Geotechnical pad: 1.35 Ha.
 - b. Access Trail: 2.68 Ha.
 - c. Temporary Camp: 0.04 Ha.
 - d. Temporary Workspace: 0.04 Ha.
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. An Archaeological Impact Assessment is required for the proposed development area prior to any development activities taking place.
14. If an archaeological site is recorded as a result of this assessment, a report must be submitted immediately to the Archaeology Branch of the Ministry of Forest, Lands and Natural Resources Operations and Commission and all mitigation measures must be approved by the Archaeology Branch prior to the start of construction.
15. If no archaeological site is recorded during this assessment, an AIA report is still required and must be submitted to the Archaeology Branch and the OGC as soon as possible as per the Archaeology Process Guidelines.
16. 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 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 the Heritage Conservation Act, endorsed by a qualified archaeologist, and approved by the Archaeology Branch.
17. 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.
18. 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.

ADDITIONAL AUTHORIZATIONS ASSOCIATED WITH THE PERMIT

An Occupant License to Cut (OLTC) L49849 is attached to this permit. The utilization of merchantable timber is not mandatory for this permit.

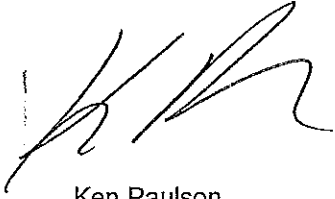
ADDITIONAL CONDITIONS

1. The permit holder must notify the Metlakatla First Nation prior to commencement of project.
2. The permit holder must notify Kitselas First Nation prior to commencement of project.
3. The permit holder must notify Lax Kw'alaams First Nation prior to commencement of project.
4. The permit holder must notify Gitxaala Nation prior to commencement of project.
5. The permit holder must notify Kitsumkalum First Nation prior to commencement of project.

ADVISORY GUIDANCE

1. Use of heli-portable drill rigs should be maximized during activities as practicable, and the use of track-mounted drill rigs minimized.
2. Metlakatla First Nation has requested that the Permit Holder provide the opportunity for a Metlakatla First Nation representative to be present during field work and to provide copies of relevant completed reports to Metlakatla within a reasonable time following completion of the reports.
3. Metlakatla First Nation has requested that following the completion of the archaeological field work, the proponent should engage with Metlakatla First Nation to reassess the geotechnical work to be conducted and the methods by which it will be conducted.

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



Ken Paulson
Chief Operating Officer

pc: FLNRO – Skeena
pc: Metlakatla First Nation
pc: Kitselas First Nation
pc: Lax Kw'alaams First Nation
pc: Gitxaala Nation
pc: Kitsumkalum First Nation