



July 6, 2016

Pacific Northern Gas Ltd.  
950, 1185 West Georgia Street  
Vancouver, B.C.  
V6E 4E6

Attention: Tom Leach

RE: Geotechnical Investigation within Unit 31, Block G and Unit 40, Block H, 103-I-2

Date of Issuance: July 6, 2016  
Commission No.: 9640737

## PERMISSIONS

### *Petroleum and Natural Gas Act*

1. Pursuant to section 138(1) of the *Petroleum and Natural Gas Act*, the permit holder is permitted to enter, occupy, and use any unoccupied Crown land located within the areas described in the attached construction plan, Drawing Number 19955-510-REF-00068, revision 0, dated July 31, 2014 (the "construction plan"), by Universal Pegasus International as submitted to the Commission in the permit application dated August 21, 2014 to construct and operate a related activity for the purposes of carrying out oil and gas activities as defined in the *Oil and Gas Activities Act* (hereinafter referenced together as the "operating area"), subject to the conditions set out below.
  - (1) The permission to occupy and use Crown land expires two years from the date of issuance, unless the Commission has received notice of construction start, or this permit is otherwise extended, suspended, cancelled, surrendered or declared spent.
  - (2) The permission to occupy and use Crown land does not entitle the permit holder to exclusive possession of the operating area.
  - (3) The total disturbance within the operating area must not exceed 2.02 ha.

## AUTHORIZATIONS

### *Forest Act*

2. Pursuant to section 47.4 of the *Forest Act*, the permit holder is authorized to remove Crown timber from the operating area under Cutting Permit No. 3 under Master Licence to Cut number M02353.
3. This Cutting Permit is deemed spent upon the submission of the post-construction plan or upon either the cancellation or the expiry of the activities authorized by this permit.

### *Water Sustainability Act*

4. Pursuant to section 11 of the *Water Sustainability Act*, the permit holder is authorized to make changes in and about streams, as shown on the construction plan for construction and maintenance activities, unless otherwise restricted by this authorization.

**CONDITIONS****Notification:**

5. A notice of construction start must be submitted to the Commission a minimum of 48 hours prior to the commencement of activities under this permit. Notification must be sent via eSubmission.
6. Within 60 days of the completion of construction activities under this permit, the permit holder must submit to the Commission a post-construction plan as a shapefile and PDF plan accurately identifying the location of the total area actually disturbed under this permit. The shapefile and plan must be submitted via eSubmission.
7. The permit holder must notify Kitselas First Nation Lands and Resources Department 7 days prior to the commencement of works and provide a schedule of works.
8. The permit holder must notify the Haisla Nation a minimum of 48 hours prior to commencing any construction activities under this permit.
9. The permit holder must provide copies of completed reports to Kitselas First Nation within a reasonable time following completion of the reports.
10. Upon discovery of a chance find artifacts, features, materials or things protected under section 13(2) of the Heritage Conservation Act, the permit holder must notify First Nations affected by this permit.

**General:**

11. The rights granted by this permit in relation to unoccupied Crown land 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 Sustainability Act* or *Wildlife Act*, or any extension or renewal of the same.
12. The permit holder must not assign, sublicense or transfer this permit or permit any person to use or occupy Crown land, other than its employees, contractors, or representatives, without the Commission's written consent.
13. The permit holder must ensure that any Crown land within the operating area is maintained in a condition so as to minimize hazards, including but not limited to hazards associated with storage of materials and equipment.
14. The permit holder must ensure that any Crown land within the operating area is free of garbage, debris and unused equipment.

**Environmental:**

15. Following completion of the construction activities authorized under this authorization the permit holder must, as soon as practicable,
  - (1) decompact any soils compacted by the activity;
  - (2) if natural surface drainage pattern was altered by the carrying out of the activity, the permit holder must restore, to the extent practicable, to the drainage pattern and its condition before the alteration; and
  - (3) ensure re-vegetation of any exposed soil on the operating area including, where necessary, using seed or vegetative propagules of an ecologically suitable species that
    - (a) promote the restoration of the wildlife habitat that existed on the operating area before the oil and gas activity was begun, and
    - (b) stabilize the soil if it is highly susceptible to erosion.

16. Following completion of the activities permitted under this permit, any surface soils removed from the operating area must be redistributed so that the soil structure is restored, to the extent practicable, to its condition before the activity was begun.

**Clearing:**

17. All harvested Crown timber must be marked with Timber Mark Number MTA 931.
18. Cutting Permit No. 3 does not grant the permit holder the exclusive right to harvest Crown timber from the operating area. Authority to harvest some or all of the timber may be granted to other persons. The permit holder's right to harvest timber applies to any timber found on the operating area at the time they undertake harvesting activities.
19. Stumpage for Cutting Permit No. 3 will be calculated in accordance with the Coast Appraisal Manual (volume based).
20. The Coast merchantability specifications and monetary waste billing requirements in the Provincial Logging Residue and Waste Measurement Procedures Manual that are in effect upon issuance of this authorization apply to any waste assessments required under Master License to Cut M02353.
21. The holder of Cutting Permit No. 3 must pay to the government, stumpage and any waste billing determined in accordance with the terms of this authorization.
22. The permit holder is authorized to fell any trees located on Crown land within 1.5 tree lengths of the operating area that are considered to be a safety hazard according to *Workers Compensation Act* regulations and must be felled in order to eliminate the hazard. Trees or portions of these trees that can be accessed from the operating area without causing damage to standing timber may be harvested.

**Watercourse Crossings or Works:**

23. The Permit holder is to ensure a qualified professional is on site for operations during critical timing windows. This individual must have the authority to issue a stop work order if fish or important fish habitat is determined to be at risk, and will be responsible for developing /implementing mitigation measures to reduce the impacts on fish and fish habitat, as required.

**Archaeology:**

24. An Archaeological Impact Assessment (AIA) is required for the proposed development area prior to any development activities taking place.

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 Forestry, Lands and Natural Resource Operations and the Commission and all mitigation measures must be approved by the Archaeology Branch prior to the start of construction.

If no archaeological site is recorded during this assessment, an AIA report is still required and must be submitted to the Archaeology Branch of the Ministry of Forestry, Lands and Natural Resource Operations and the Commission as soon as possible as per the Archaeology Process Guidelines.

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 of the Ministry of Forestry, Lands and Natural Resource Operations 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 of the Ministry of Forestry, Lands and Natural Resource Operations.

**Additional Conditions:**

25. This permit authorizes 0.39 hectares of new Crown land area disturbance only.

**ADVISORY GUIDANCE**

1. Appropriate 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 an application for all subsequent applicable *Land Act* tenures. Upon the Commission's acceptance of the post-construction plan no further applications for replacement tenure are required.
2. Unless a condition or its context suggests otherwise, terms used in this authorization have the same meaning as the Environmental Protection and Management Regulation under the *Oil and Gas Activities Act*.
3. It is requested that the permit holder notify Kitselas First Nation of Spills and other Environmental Incidents that may occur from the proposed activities.

The attached plan(s) forms an integral part of this permit.



Andrew Osmond  
Natural Resource Officer

pc: Roy Northern Land Service Ltd.  
Commission No.: 9640737  
Worksafe BC  
MoFLNRO: Coast Mountains District  
OGC First Nations: HN, KFN