

Province of British Columbia Water Sustainability Act

CONDITIONAL WATER LICENCE

The holder of the Petroleum and Natural Gas leases to which this licence is appurtenant is hereby authorized to divert, use and store water as follows:

- a) The stream on which the rights are granted is the Pine River and storage is in dugouts.
- b) The point of diversion is located at UTM Zone 10, 6218991N, 624963E, as shown on the attached plan.
- c) The date from which this licence shall have precedence is February 4, 2015.
- d) The purposes for which this licence is issued are Oil and Gas (hydraulic fracturing, drilling) and Storage (non-power).
- e) The maximum quantity of water which may be diverted is 650,000 cubic metres per year, to not exceed a rate of 0.1157 cubic metres per second or 10,000 cubic metres per day. The maximum quantity of water that can be held in storage is 650,000 cubic metres.
- f) The period of the year during which the water may be diverted into storage is May 1 to October 31, and the stored water may be used for Oil and Gas purposes for the whole year.
- g) The undertaking upon which the water is to be used and to which this licence is appurtenant are oil and gas activities associated with various Petroleum and Natural Gas leases held by the licence holder under the Petroleum and Natural Gas Lease system, in the Septimus regional field, in the Peace River District.
- h) The authorized works are screened intake, pump and above-ground pipe, which shall be located approximately as shown on the attached plan.
- i) The construction of the said works shall be completed and the water shall be beneficially used prior to August 31, 2017. Thereafter, the licensee shall continue to make regular beneficial use of the water in the manner authorized herein.
- j) The licensee must:

(1) Prepare a monitoring program (the program) suitable to determining any impacts to water quality of the Pine River or its tributaries as a result of the diversion and use of water under this licence;

(2) Implement the program to the satisfaction of the Water Manager following the commencement of diversion and use of water, as authorized by this licence;(3) Continue the program for the duration of time this water licence is in effect, or to the satisfaction of the Water Manager; and

(4) Report all data collected for the environmental monitoring program to the Water Manager on an annual basis, on or before December 31 of each year. The requirement for reporting can be amended from time to time, as directed by the Water Manager.

- k) This licence does not authorize the diversion of water when the water flow of the Pine River at the Water Survey of Canada hydrometric monitoring station "Pine River at East Pine (07FB001)" falls below the value of 40 cubic metres per second.
- The licence holder shall keep records on daily water withdrawals in units of cubic metres. This information will be submitted to the Water Manager on a quarter-annual basis, on or before January 25, April 25, July 25 and October 25, for the preceding three month period. The requirement for water use reporting can be amended from time to time, as directed by the Water Manager.
- m) This licence terminates on December 31, 2031. Prior to the termination date, the licensee may apply to the Comptroller of Water Rights or the Water Manager in accordance with the provisions of the Water Sustainability Act to amend this licence to extend its term.
- n) This licence is issued under the Water Sustainability Act (the Act). The exercise of rights under the licence is subject to the Act and its regulations, the terms and conditions of the licence, orders under the Act and the rights of licensees whose rights have precedence on the stream or on an aquifer. The licensee must comply with all such requirements, as well as the provisions of all other applicable enactments. In exercising rights under the licence, the licensee must exercise reasonable care to avoid damaging land, works, trees or other property, and must make full compensation to the owners for damage or loss resulting from construction, maintenance, use, operation or failure of the works.

Ala Chama

Regional Water Manager