



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

JAN 20 2010

Ms. Sarah Kenshalo
Environmental Coordinator
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, Alaska 99510-0360

Dear Ms. Kenshalo:

This responds to your December 3, 2009, request for Letter of Authorization (LOA) for the incidental take of polar bears in regards to the ConocoPhillips Alaska, Inc. (CPAI) 2010 Remediation Program – West Mikkelsen State #1. Enclosed is a LOA (10-05) that allows CPAI to take small numbers of polar bears incidental to remediation activities identified in your LOA request. CPAI proposes to construct ice road access to the site to plug and abandon the existing well, remove ice/water from the reserve pit, remediate the gravel pad, and rehabilitate the site.

If any changes develop in your project during the 2010 project season, such as activities, please notify the Marine Mammals Management Office (MMM) prior to the planned operation. This would allow us to evaluate the activity and, if appropriate, amend your LOA.

Protection measures for polar bears described in CPAI's Polar Bear Avoidance and Interaction Plan, Revision 5, February 2008 contains appropriate safeguards to limit human/animal interactions. CPAI field camps and personnel can limit encounters of polar bears by being observant of approaching animals (i.e., the use of polar bear guards) and where practicable, by allowing the animals to pass unhindered. CPAI will provide copies of the polar bear observation form to all CPAI contractors operating under the LOA. Report any polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings. To this office by phone or using the polar bear observation form. Report any possible den locations that are found during work activities immediately to our office. Service biologists are available for consultation if questions or concerns arise during the project period at the phone numbers listed below and noted in your interaction plan.

Polar bear conservation has benefited from monitoring programs associated with the Incidental Take Program since 1993. Monitoring serves to assess the effect of industrial activities on polar bears by evaluating trends and effects of bear encounter rates, take frequency, as well as the location and timing of encounters. Additionally, through monitoring, the Service seeks to limit disturbance to maternal polar bear den sites, both known dens and those areas that could possibly be preferred by denning polar bears. Use caution when operating near these areas during the

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maternal denning period (mid November to mid April). The U.S. Geological Survey has posted information regarding polar bear denning habitat on the Alaska Science Center (ASC) website, plus associated documents. The den habitat map (ARC/INFO export file), the mapping manuscript (PDF file) and a picture of den habitat (JPG file) are available on the ASC website (<http://www.absc.usgs.gov/dataproducts.htm>). Please use these resources when planning activities in potential denning areas and contact us immediately if any dens are found during oil and gas activities.

As a precondition to the remediation program, on December 7, 2009, a FLIR (Forward Looking Infrared) survey flight was conducted along the ice road corridor to West Mikkelsen State #1 site to identify any potential polar bear dens within the project area. The FLIR survey investigated den habitat within a 1-mile envelope near the West Mikkelsen State #1 site. This survey was a cooperative effort between the CPAI and the Service. No polar bear dens were identified during this survey within the defined survey area.

Furthermore, in accordance with section 7 of the Endangered Species Act of 1973, as amended (ESA), issuance of this LOA also fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described herein. In the "Programmatic Biological Opinion for Polar Bears (*Ursus maritimus*) on Beaufort Sea Incidental Take Regulations" (June 2008; Tier 1 BO), the Service determined that the total take anticipated as a result of the issuance of the Regulations is not likely to result in jeopardy to the polar bear, in accordance with section 7 of the ESA. In order for the Tier 2 BO to be consistent with the "no jeopardy" conclusion of the Tier 1 BO and for an ESA incidental take statement (ITS) to be provided: (1) the proposed activity must provide the required information, as described in §18.124 of the Regulations, (2) the LOA must include any mitigation measures that the MMM believes appropriate for the specific activity and location, as described in §18.128 of the Regulations, and (3) the MMM must determine that the incidental take for the specific activity will be consistent with the negligible impact finding for the total take allowed under the Regulations.

Reasonable and prudent mitigation measures, as well as implementing terms and conditions were included for MMM in the Tier 1 BO and have been incorporated into the LOA process. Issuance of this ITS with the LOA completes ESA requirements for authorization of incidental take of the polar bear. Compliance with the terms and conditions of this LOA insures that the LOA holder is also in compliance with the ESA.

An additional requirement of this LOA is to provide observational data of polar bears throughout the project and a complete report of all observations at the conclusion of the project to document take. This final report will be provided to the MMM. This report meets the tracking and reporting requirements relative to the documentation of take as required by the MMPA and the ESA.

This authorization is issued in accordance with Service regulations listed at 71 FR 43926, dated August 2, 2006. Should you have any further questions contact Mr. Craig Perham of our Marine

Mammals Management Office, at (907) 786-3800 or 786-3810.

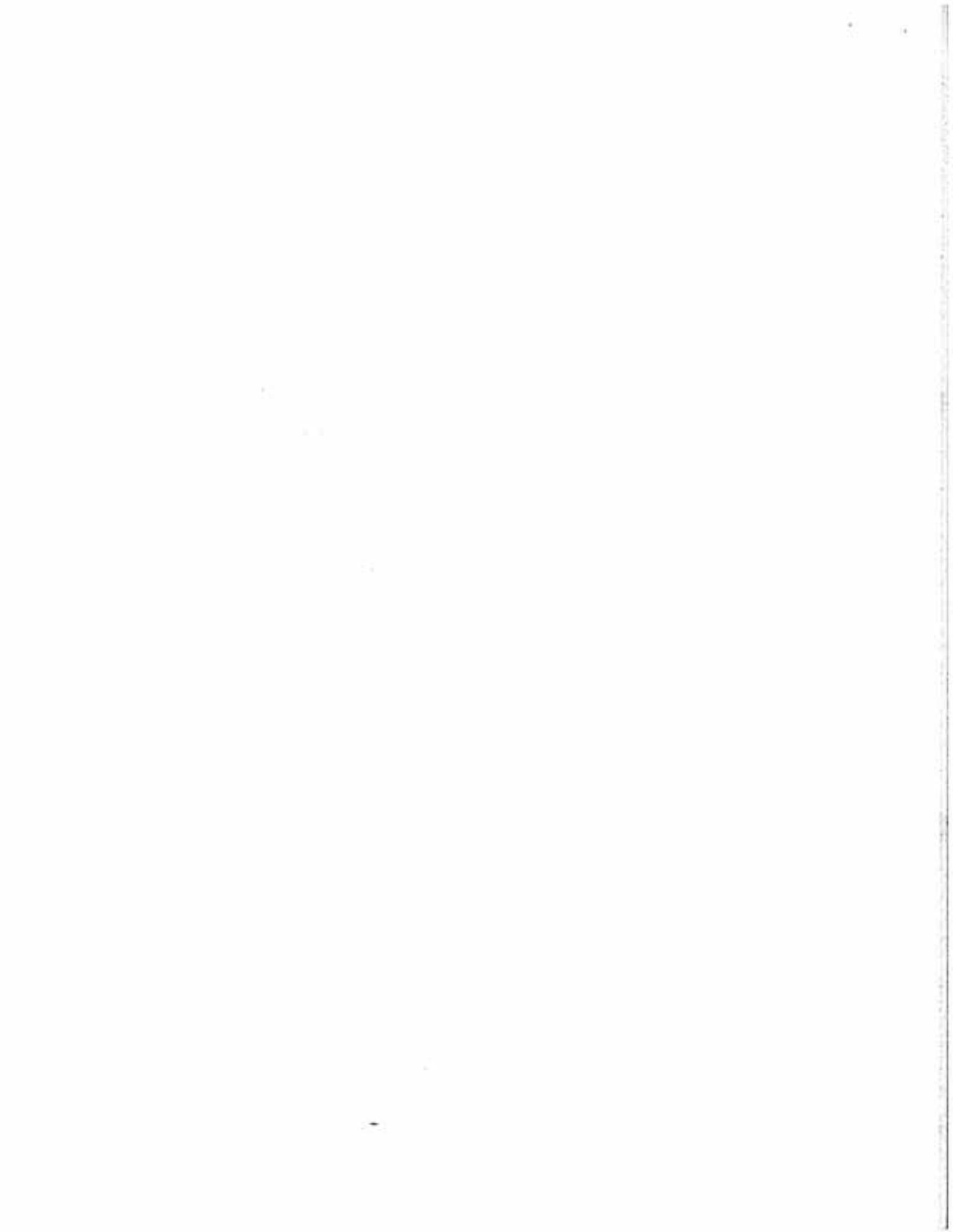
Sincerely,

A handwritten signature in black ink, appearing to read "Rosa Meehan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rosa Meehan, Ph.D.
Chief, Marine Mammals Management

Enclosures

cc: Ms. Caryn Rea, CPAI
Mr. Richard Shideler, ADF&G
Fairbanks Fish and Wildlife Field Office (FFWFO)
USFWS Office of Law Enforcement (OLE)





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ISSUED: January 20, 2010

EXPIRES: January 31, 2011

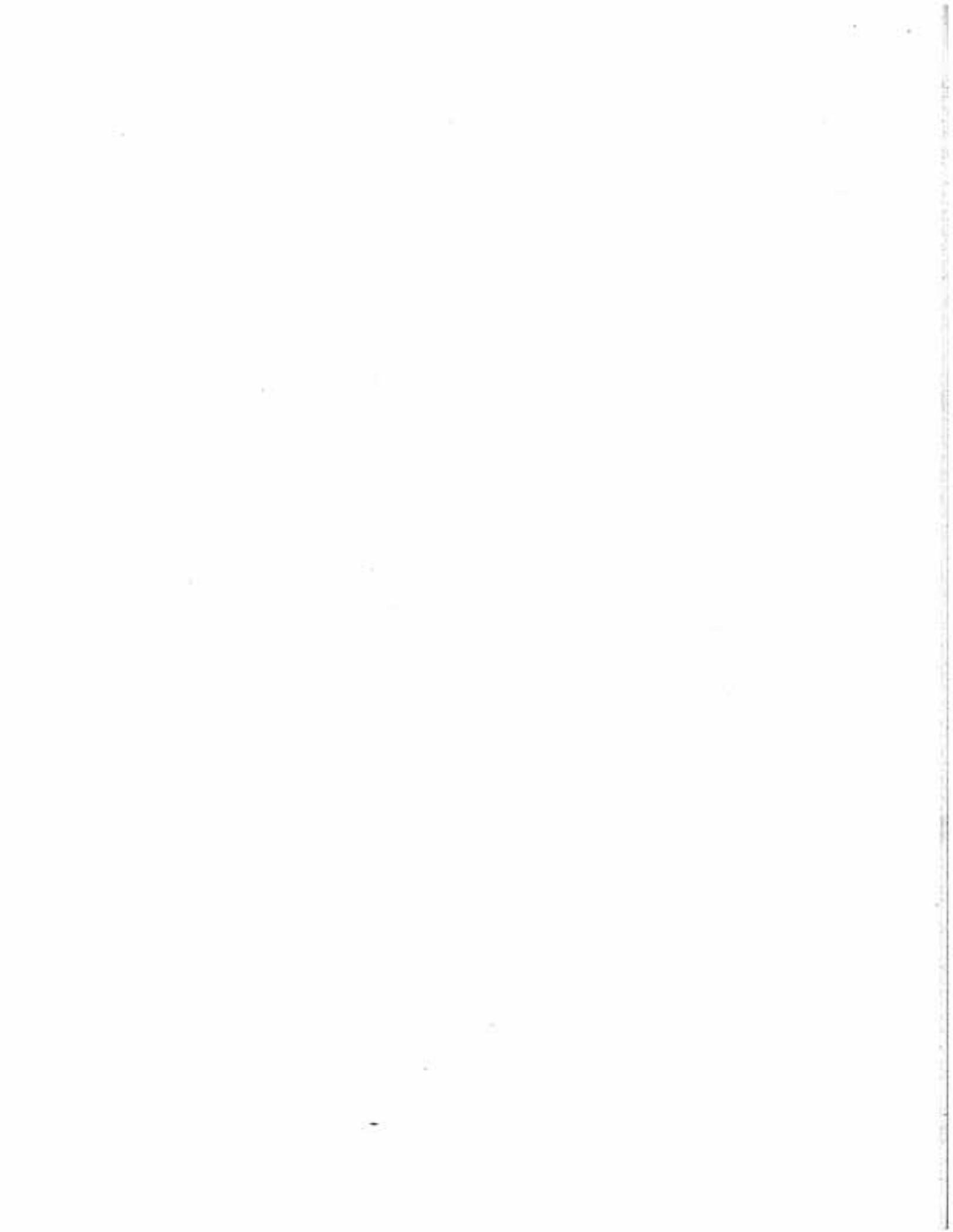
LETTER OF AUTHORIZATION (10-05)

ConocoPhillips Alaska, Inc. (CPAI) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the 2010 Remediation Program – West Mikkelsen State #1. This includes, but is not limited to, all activities associated with the work at the remediation site and travel corridors. 2010 Remediation Program – West Mikkelsen State #1 includes the construction of ice road access to the site to plug and abandon the existing well, remove ice/water from the reserve pit, remediate the gravel pad, and rehabilitate the site. These activities are discussed in detail in the, "ConocoPhillips Alaska, Inc. West Mikkelsen State 1 Corrective Action, Plan of Operations, November 2009."

This authorization and the required conditions below include contractors of CPAI performing CPAI-approved work under the scope of operations to be conducted. Authorization is subject to the following conditions:

1. The CPAI Polar Bear Avoidance and Interaction Plan, Revision 5, February 2008, is approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. A copy of this polar bear interaction plan must be available on site for all personnel.
2. CPAI Operations Managers, or their designates, must be fully aware, understand, and capable of implementing the conditions of this authorization.
3. Intentional take is prohibited under this authorization.
4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated December 3, 2009.
5. Polar bear monitoring, reporting, and survey activities will be conducted in accordance with 50 CFR 18, section 18.128. The basic monitoring and reporting

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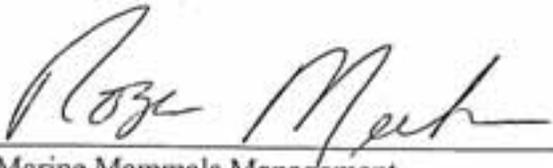


requirements follow:

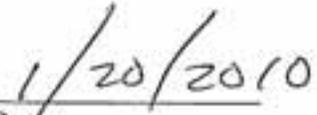
- CPAI must cooperate with the Service, and other designated Federal, State, or local agencies to monitor the impacts of oil and gas exploration activities on polar bears;
- CPAI must not conduct activities that operate nor pass within 1 mile of known polar bear dens, and all observed dens must be reported to the Marine Mammals Management Office, Fish and Wildlife Service upon discovery. Should occupied dens be identified within one mile of activities, work within a one-mile area will cease and Service must be contacted for guidance. The Service will evaluate these instances on a case-by-case basis to determine the appropriate action. Potential actions may range from cessation or modification of work to conducting additional monitoring, and CPAI must comply with any additional measures specified.
- CPAI must designate a qualified individual or individuals to observe, record, and report the effects of the activity on polar bears to the Service within 24 hours of visual observation;
- CPAI must allow the Fish and Wildlife Service to allow an observer on the site to monitor the impacts of the activity on polar bears, at the discretion of the Fish and Wildlife Service;
- CPAI must submit an annual monitoring report to the Marine Mammals Management Office as required under 18 CFR 18.128(f), which will be received up to 90 days after the expiration date of the LOA.



6. Per the "Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear (June 2008)", your request also triggers the second of the two-tiered programmatic process. In order for incidental take of the polar bear to be exempted from the prohibitions of the ESA, the LOA also serves as an "Incidental Take Statement" (ITS), required under section 7 of the Endangered Species Act of 1973 (ESA). Issuance of the LOA/ITS fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described in this letter.
7. This authorization expires January 31, 2011.



Chief, Marine Mammals Management



Date

