United States Department of the Interior

FISH AND WILDLIFE SERVICE
1011 E. Tudor Road
Anchorage, Alaska 99503-6199

IN REPLY REFER TO:
AFES/MMM

29 DEC 2010

Mr. James Winegarner
Vice President, Land & External Affairs
Brooks Range Petroleum Corporation
510 L Street, Suite 601
Anchorage, Alaska 99501

Dear Mr. Winegarner:

This responds to the letter Brooks Range Petroleum Corporation (BRPC) submitted to the U.S. Fish and Wildlife Service (Service), dated October 07, 2010, requesting Letters of Authorization (LOA) for the incidental and intentional take of polar bears for the 2011 North Tarn Exploration Program.

The 2011 North Tarn Exploration Program will include the following major activities:

- Helicopter travel and landing to conduct site clearing field studies
- Traveling on tundra via Rolligon or similar tundra-approved vehicle to pre-pack ice road alignment
- Clearing snow from six approved sources
- Collecting water and ice aggregate from approved sources of water and ice
- Constructing approximately four miles of ice road from the existing KRU gravel roads to the North Tarn ice pad
- Constructing the North Tarn ice drill pad
- Drilling the North Tarn # 1 exploration well at the North Tarn Pad
- Possibly performing a short term production flow test(s).

These activities are discussed in detail in the "Plan of Operations North Tarn 2010/2011 Exploration Program (July 2010)."

Enclosed is an LOA (11-01) for the 2011 North Tarn Exploration Program that will allow BRPC to take small numbers of polar bears incidental to oil and gas industry exploration activities at the locations identified in your LOA request. The proposed start date for this project is October 2010, which is covered under your current LOAs 10-09 and 10-INT-11. LOA 11-01 is effective from January 01, 2011, until May 31, 2011. If any changes develop in your project during the 2010-2011 season, such as activities or location, please notify the Marine Mammals Management Office (MMM) prior to the planned operation. This will allow us to evaluate the activity and, if appropriate, amend your LOA.

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Also enclosed is a harassment authorization (11-INT-02) allowing BRPC and its representatives to take polar bears by harassment (deterrent activities) for the protection of both human and polar bear safety while conducting activities in polar bear habitat during the 2011 North Tarn Exploration Program. This authorization is effective from January 01, 2011, until May 31, 2011. This authorization is issued specifically to BRPC employees who are responsible for, trained, qualified and are assigned the task to harass (deter) polar bears. It is the responsibility of BRPC personnel to report all polar bear harassment events to the Service, MMM within 24 hours. Intentional take is authorized under Sections 101 (a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act (MMPA).

Protection measures for polar bears described in BRPC's "Polar Bear Interaction Plan North Tarn 2011 Exploration Program (October 2010)" contain appropriate safeguards to limit human/bear interactions. BRPC field camps and personnel can limit encounters with polar bears by being aware of approaching animals (i.e., the use of polar bear guards) and breaking off interactions, if practicable, and allowing bears to continue their travel. We encourage BRPC to implement the terms of this plan.

If a polar bear interaction escalates into a life threatening situation, Section 101(c) of the MMPA allows, without specific authorization, the take (including lethal take) of a polar bear if such action is necessary for self-defense or to defend the life of a person in immediate danger. Any such action or take must be reported to the Service MMM within 24 hours.

Historical polar bear denning activity indicates that polar bear denning habitat occurs along some creek banks and river bluffs and potentially within BRPC's project area. Approximately 1782 miles (2870 km) of potential polar bear denning habitat is located between the Colville River and the Canning River. Disturbance during denning could lead to abandonment of dens and possible mortality of cubs.

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 maternal denning period (mid November to mid April). The U.S. Geological Survey (USGS) has posted information regarding polar bear denning habitat on the Alaska Science Center (ASC) website. Associated documents are also available. The den habitat map (ARC/INFO export file), the mapping manuscript (PDF file) and a picture of den habitat (JPG file) are now 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.

Furthermore, BRPC will provide copies of the polar bear observation form to all BRPC contractors operating under the LOAs. Report any polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings, to the Service, MMM by phone or using the polar bear observation form. Report any possible den locations that are found during work activities immediately to the Service MMM. Institute the one-mile buffer immediately upon discovery of a maternal den site, as required by Condition 5 of the LOA. Service biologists will be available for consultation if questions or concerns arise during the project period at the phone numbers listed below and noted in your interaction plan.

Furthermore, in accordance with Section 7 of the Endangered Species Act of 1973 (ESA), as amended, issuance of this LOA also fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion (BO) 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 50 CFR §18.124, (2) the LOA must include any mitigation measures that the Service, MMM believes appropriate for the specific activity and location, as described in 50 CFR §18.128, 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 the MMM in the Tier 1 BO and have been incorporated into the LOA process. This LOA also serves as an "Incidental Take Statement" (ITS). Issuance of this LOA/ITS completes ESA requirements for authorization of incidental take of polar bears. Compliance with the terms and conditions of this LOA insures 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.

Should you have any further questions contact the Marine Mammals Management Office at (907) 786-3800, Craig Perham at (907) 786-3810 or Christopher Putnam at (907) 786-3844.

Sincerely,

for Chief, Marine Mammals Management

Enclosure

cc: Mr. Richard Shideler, ADF&G
Fairbanks Fish and Wildlife Field Office (FWFO)
USFWS Office of Law Enforcement (OLE)
North Slope Borough Department of Law

United States Department of the Interior

FISH AND WILDLIFE SERVICE
1011 E. Tudor Road
Anchorage, Alaska 99503-6199

IN REPLY REFER TO:

AFES/MMM

ISSUED: January 01, 2011
EXPIRES: May 31, 2011

U.S. Fish and Wildlife Service

LETTER OF AUTHORIZATION
(11-01)

Brooks Range Petroleum Corporation (BRPC) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the 2011 North Tarn Exploration Program.

The 2010 North Tarn Exploration Program may include the following major activities:

- Helicopter travel and landing to conduct site clearing field studies
- Traveling on tundra via Rolligon or similar tundra-approved vehicle to pre-pack ice road alignment
- Clearing snow from six approved sources
- Collecting water and ice aggregate from approved sources of water and ice
- Constructing approximately four miles of ice road from the existing KRU gravel roads to the North Tarn ice pad
- Constructing the North Tarn ice drill pad
- Drilling the North Tarn # 1 exploration well at the North Tarn Pad
- Possibly performing a short term production flow test(s).

These activities are discussed in detail in the "Plan of Operations North Tarn 2010/2011 Exploration Program (July 2010)." This authorization and the required conditions below include contractors of BRPC performing BRPC-approved work under the scope of operations to be conducted. This Letter of Authorization (LOA) is subject to the following conditions:

1. The BRPC polar bear interaction plan entitled "Polar Bear Interaction Plan North Tarn 2011 Exploration Program (October 2010)" is approved and all provisions must be complied with unless specifically noted otherwise in this LOA. A copy of this polar bear interaction plan must be available on site for all personnel.

2. BRPC Operations Managers, or their designates, must be fully aware, understand and capable of implementing the conditions of this LOA.

3. Intentional take is prohibited under this LOA.

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4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated October 07, 2010.

5. Polar bear monitoring, reporting, and survey activities will be conducted in accordance with 50 CFR §18.128. The basic monitoring and reporting requirements follow:

   - BRPC must cooperate with the U.S. Fish and Wildlife Service (Service), and other designated Federal, State or local agencies to monitor the impacts of oil and gas exploration activities on polar bears.

   - BRPC must not conduct activities that operate nor pass within one mile of known polar bear dens. All observed dens must be reported to the Service Marine Mammals Management Office (MMM) within 12 hours of discovery. Should occupied dens be identified within one mile of project activities work in the immediate area will cease and the Service MMM must be contacted for guidance. The Service, MMM 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. BRPC must comply with any additional measures specified.

   - BRPC must designate a qualified individual(s) to observe, record, and report the effects of the activity on polar bears to the Service within 24 hours of observation.

   - At the discretion of the Service, BRPC must allow a Service observer on-site to monitor the impacts of the activity on polar bears.

   - BRPC must submit an annual monitoring report to the Service, MMM as required under 50 CFR § 18.128, which will be received no later than 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. 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 is valid for the period indicated on this authorization, unless extended or terminated in writing by the U.S. Fish and Wildlife Service, Marine Mammals Management Office.

For Chief, Marine Mammals Management

1/29/10
Date