United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

13 JAN 2011

Ms. Caryn Rea
Senior Staff Biologist
ConocoPhillips Alaska, Inc.
700 G. Street, ATO 1902
P.O. Box 100360
Anchorage, Alaska 99510-0360

Dear Ms. Rea:

This responds to your request for a Letter of Authorization (LOA) for the incidental take of polar bears in regards to the ConocoPhillips Alaska, Inc. (CPAI) Puviaq #1 Plug and Abandonment (P&A) Program during 2011. Enclosed is an incidental take LOA (11-06) that will allow CPAI to take small numbers of polar bears incidental to activities identified in your LOA requests, dated November 10, 2010. If any changes develop in your project during the 2011 project season, such as activities, 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.

Historic polar bear denning activity reveals that polar bear denning habitat occurs along coastal and river bluffs. For example, polar bears have denned near Atigaru Point and the Eskimo Islands. Disturbance during denning could lead to abandonment of dens and possible mortality to cubs. Rolligon and ice road activities occurring in these areas near preferred denning habitat may encounter denning polar bears. The U.S. Fish and Wildlife Service (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. With this in mind, please use caution when operating near these areas, such as the Eskimo Islands, during the maternal denning period (mid November to mid April).

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 the Service by phone or using the polar bear

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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.

As a precondition to the P&A program, a den detection survey using Forward Looking Infrared (FLIR) was conducted along the travel corridor between Oliktok and the P&A site January 3 - 7, 2011. This survey was a cooperative effort between ConocoPhillips Alaska, Inc., FEX and the Service. No polar bear dens were identified near the P&A site or along the travel corridor during the FLIR survey.

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" (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 for your company 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.

These incidental take authorizations are issued in accordance with Service regulations listed at 71 FR 43926, dated August 2, 2006. Please review these regulations. Should you have any

further questions please contact Mr. Craig Perham of our Marine Mammals Management Office at (907) 786-3800 or 786-3810.

Sincerely,

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

Enclosures

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

United States Department of the Interior

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ISSUED: January 10, 2011
EXPIRES: June 30, 2011

LETTER OF AUTHORIZATION
(11-05)

ConocoPhillips Alaska, Inc. (CPAI) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the 2011 Puviaq #1 Plug and Abandonment (P&A) Program. These activities are discussed in the Letter of Authorization (LOA) request, dated November 10, 2010.

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

1. The CPAI Polar Bear Avoidance and Interaction Plan, Revision 5, February 2008, are 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. CPAI 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.

4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated November 10, 2010.

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 requirements follow:

   - CPAI 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;

   - CPAI must not conduct activities that operate nor pass within one mile (approximately 1600 meters) of known polar bear dens, and

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all observed dens must be reported to the Service, Marine Mammals Management Office (MMM), upon discovery. Should occupied dens be identified within one mile of activities, work within the immediate area will cease and the 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 Service to allow an observer on the site to monitor the impacts of the activity on polar bears, at the discretion of the Service;

- CPAI must submit an annual monitoring report to the Service, MMM as required under 18 CFR 18.128(f), which will be received up to 90 days after the expiration date of the LOA.

6. Specific mitigation measures for the transportation corridor will include:

   - A set-back of ½ mile (approximately 800 meters) from coastal bluff habitat on shorefast ice is imposed to limit the disturbance of possible denned polar bears along all the transportation corridors of the work site that are located along the Beaufort Sea coastline. If necessary, the route may be placed closer to the coast, up to 1,000 feet (320 meters) from coastline. This stipulation will be removed April 15, 2011.

   - All travel along the coast will be restricted to designated areas that have been previously surveyed for polar bear den sites or those areas with mitigation measures in place to reduce disturbance to denning bears.

7. 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 Endangered Species Act of 1973 (ESA), the LOA also serves as an "Incidental Take Statement" (ITS), required under Section 7 of the 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.

8. This authorization expires June 30, 2011.

Chief, Marine Mammals Management Office

13 JAN 2011

Date