United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

25 JAN 2011

Mr. Dale Pittman
Alaska Production Manager
Joint Interest U.S.
ExxonMobil Production Company
P.O. Box 196601
Anchorage, Alaska 99519

Dear Mr. Pittman:

Thank you for your October 12, 2010, request for Letters of Authorization (LOA) for the incidental take of polar bears and Pacific walruses and intentional take of polar bears by harassment during activities associated with the ExxonMobil Production Company (Exxon) 2011 Point Thompson Project (Project).

Exxon, as operator and on behalf of the Point Thomson Unit (PTU) leaseholders, has completed drilling the PTU-15 and PTU-16 wells in accordance with the February 10, 2009, Plan of Operations at the Point Thomson Central Pad (gravel pad used for the PTU-3 well) and is preparing to demobilize the drilling rig and equipment. Activity will include seasonal barge traffic, shallow draft landing craft, an ice airstrip, helicopter traffic, tundra travel, and a 49-mile (approximately 79 km) near shore ice road. Exxon also intends to conduct inspection and remediation work at sites in the general PTU area.

If any changes develop in your Project during the 2011 Project season, such as barge schedules or traffic, activities, or location, please notify the U.S. Fish and Wildlife Service (Service), Marine Mammals Management Office (MMM) prior to the planned operation. This will allow us to evaluate the activity and, if appropriate, amend your LOA.

Please find enclosed LOA 11-07 that will allow Exxon to take small numbers of polar bears and walruses incidental to oil and gas industry activities at the location identified in your LOA request. Also enclosed is LOA 11-INT-07 that grants authorization for Exxon 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 in all portions of the Project area. All provisions contained within Exxon's "Polar Bear and Wildlife Interaction Plan, Point Thomson Project, Alaska (October 2010)" are approved and incorporated by reference into this LOA. These Letters of Authorization are effective for the period February 1, 2011 through July 31, 2011.

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Intentional take is authorized under Sections 101 (a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act (MMPA). This LOA is issued specifically to Exxon employees who are responsible for employing trained and qualified personnel that are assigned the task to harass (deter) polar bears. It is the responsibility of Exxon personnel to report all polar bear harassment events to the Service, MMM within 24 hours.

Exxon 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. 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.

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 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 Marine Mammals Management Office (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 for Exxon to provide observational data of polar bears and walruses throughout the Project and a complete report of all observations at the conclusion of the Project to document take. The final report will be provided to the MMM no later than 90 days after the completion of the Project. The final report meets the tracking and reporting requirements relative to the documentation of take as required by the MMPA and the ESA.

Further stipulations for this LOA, Exxon will: (1) provide copies of the polar bear observation form to all Exxon contractors operating under this LOA, (2) report any polar bear sightings, or

signs of polar bears, such as tracks, scat, or diggings to the Service, MMM using the polar bear observation form (enclosed), and (3) report any possible den locations that are found immediately to the Service, MMM. 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.

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. Disturbance during denning could lead to abandonment of dens and possible mortality to cubs. With this in mind, note that a Service-approved den detection survey was conducted in potential polar bear denning habitat within one mile (approximately 1600 meters) of the Project areas. Use of caution is advised when operating near these areas during the maternal denning period (mid November to mid April).

This Letter of Authorization is issued in accordance with our regulations listed in 71 FR 43926, dated August 2, 2006. Should you have any further questions please contact the Marine Mammals Management Office at (907) 786-3800, Craig Perham at (907) 786-3810, or Christopher Putnam at (907) 786-3844.

Sincerely,

(Acting) Chief, Marine Mammals Management

Enclosure

cc: Mr. Rob Dragnich, ExxonMobil Production Company
Mr. Richard Greer, ExxonMobil Production Company
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

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

IN REPLY REFER TO:

AFES/MMM

ISSUED: February 1, 2011
EXPIRES: July 31, 2011

U.S. Fish and Wildlife Service

LETTER OF AUTHORIZATION
(11-07)

ExxonMobil Production Company (Exxon) is hereby authorized to take small numbers of polar bears and Pacific walruses incidental to activities associated with the 2011 Point Thompson Project (Project). Detailed descriptions of the authorized activities can be found in the Point Thomson Project Plan of Operations (February 10, 2009), Point Thomson Well Inspection and Remediation Program (December 15, 2009), and Bullen Point Gravel Pad Remediation Project (December 15, 2009).

This Letter of Authorization (LOA) and the required conditions below apply to Exxon employees and contractors performing Exxon-approved work under the scope of operations identified in the Point Thomson Program Plan of Operations. Exxon, as operator and on behalf of the Point Thomson Unit (PTU) leaseholders, has completed drilling the PTU-15 and PTU-16 wells in accordance with the February 10, 2009, Plan of Operations at the Point Thomson Central Pad (gravel pad used for the PTU-3 well) and is preparing to demobilize the drilling rig and equipment. Activity will include seasonal barge traffic, shallow draft landing craft, an ice airstrip, helicopter traffic, tundra travel, and a 49-mile (approximately 79 km) near shore sea ice road. Exxon also intends to conduct inspection and remediation work at sites in the PTU area.

This LOA is subject to the following conditions:

1. Intentional take is prohibited under this LOA.

2. Exxon's Polar Bear and Wildlife Interaction Plan, Point Thomson Project, Alaska (October 2010) is approved and all provisions must be complied with unless specifically noted otherwise in this LOA.

3. A copy of this LOA and the approved interaction and avoidance plan listed above must be posted and available for all personnel engaging in the activities approved under the authority of this authorization.

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4. Exxon operations managers, or their designates, must be fully aware, understand and be capable of implementing the conditions of this LOA.

5. This authorization is valid only for those activities and locations identified in the request for a LOA dated October 12, 2010, and described in the Point Thomson Project Plan of Operations (February 10, 2009).

6. Exxon must not conduct activities that operate nor pass within one mile (approximately 1600 meters) of known polar bear dens. Any observed dens must be reported to the U.S. Fish and Wildlife Service (Service), Marine Mammals Management Office (MMM) immediately upon discovery. Should occupied dens be identified within a one-mile area, work in 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 responses may range from cessation or modification of work to conducting additional monitoring.

7. Additional den detection surveys for the 2010/2011 winter season will be completed along the ice road corridor to Point Thomson, as well as certain water sources and the remediation sites, described to Exxon by the Service. These areas will be surveyed for potential polar bear dens prior to the use of the ice road for Project traffic and commencement of remediation activities.

8. At the discretion of the Service, Exxon must allow the Service to place an observer on site, including any facilities, vessels, aircraft, or vehicles, to monitor the impacts of the activity on marine mammals, when requested.

9. Polar bear and walrus monitoring, reporting, and survey activities must be conducted in accordance with 50 CFR § 18.128 and must comply with the following monitoring, mitigation, and reporting requirements:

   - Exxon must cooperate with the Service, and other designated Federal, State, or local agencies to monitor the impacts of oil and gas industry activities on polar bears and walruses.

   - If any changes develop in the Project during the period approved under this LOA, such as activities, location, or methods, notify the MMM prior to the implementation of such changes.

   - Restricting or affecting walrus or polar bear movements, by any means, in sea, on land or on ice, is prohibited. Separation distances will be enforced until animals have left the area of their own volition.

   - All evidence of polar bears and walruses, such as tracks, carcasses, dens or haul out sites, if applicable, will also be reported.

   - Any incidental lethal take or injury of a polar bears or walruses must be reported to the Service immediately.

10. Exxon must submit an annual monitoring report to the Service, MMM as required under 50 CFR § 18.128, a draft of which will be received by MMM no later than 90 days after completion of the Project. The report will describe in detail:

- The operations that were conducted.
- The methods, results, and interpretation pertaining to all monitoring tasks.
- The results of the marine mammal monitoring.
- Marine mammal sightings (species, numbers, dates, times and locations; age/size/gender, environmental conditions, activities, associated Project activities).
- An analysis of the effects of operations (e.g., on sighting rates, sighting distances, behaviors, movement patterns of walruses and polar bears).
- Provide summaries of communications with hunters and potential effects on subsistence uses.

11. The draft report will be subject to review and comment by the Service. Any recommendations made by the Service must be addressed in the final report prior to acceptance by the Service. The draft report will be considered the final report for this activity under this LOA if the Service has not provided comments and recommendations within 90 days of receipt of the report.

12. Activities related to the monitoring described in this LOA do not require a separate scientific research permit issued under Section 104 of the Marine Mammal Protection Act.

13. 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.

This Letter of Authorization is valid from February 1, 2011 through July 31, 2011, unless extended or terminated in writing by the U.S. Fish and Wildlife Service, Marine Mammals Management Office.

Acting Chief, Marine Mammals Management

25 JAN 2011
Date