United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

APR 15 2011

Mr. Matthew C. Dunn
Director, North Slope Borough Department of
Capital Improvement Project Management
P.O. Box 350
Barrow, Alaska 99723

Dear Director Dunn:

Thank you for your request for Letters of Authorization (LOA) dated January 27, 2011, for both the incidental take and the intentional take of polar bears in association with the North Slope Borough Barrow (NSB) Gas Fields Well Drilling Program (Project).

The NSB proposes to drill up to six new gas wells, plug and abandon up to eight depleted wells and install approximately 700 feet (213 meters) of new gathering pipeline and four well houses. New gathering lines and electric transmission lines will be mounted on vertical support members and well houses will be mounted on pilings. Two existing depleted gas wells will be permitted to be converted to disposal wells for exempt drilling fluids generated during the Project. The NSB will bring a small footprint drill rig and associated equipment to Barrow via commercial barge operations. Drill equipment will be transported by existing gravel roads or ice roads to locations in the existing Barrow gas fields.

Enclosed, is LOA (11-12) that will allow the NSB to take small numbers of polar bears incidental to activities associated with the Project as identified in your request. All provisions contained within the NSB's "Polar Bear Interaction and Monitoring Plan" are incorporated by reference into this LOA. This authorization is effective from the date of issuance to August 02, 2011, when the current Beaufort Sea Incidental Take Regulations expire. The Project will begin in mid-April 2011 with drilling and construction completed by mid-April 2012. When new regulations are promulgated the US Fish & Wildlife Service (Service) will reauthorize a new LOA.

Your request for intentional take of polar bears as authorized under Sections 101 (a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act (MMPA) is not included and remains pending. The Service, Marine Mammals Management Office (MMM) is currently attempting to verify the required training for those personnel identified for polar bear hazing duties. Upon verification of the required training the Service, MMM will respond to your request in a separate letter.

TAKE PRIDE IN AMERICA

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 50 CFR §18.124, (2) the LOA must include any mitigation measures that the 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. This activity will have no affect on polar bear critical habitat and 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 the NSB 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. 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.

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 Craig Perham, at (907) 786-3810, or Christopher Putnam, (907) 786-3844, of our Marine Mammals Management Office, (907) 786-3800.

Sincerely,

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

Enclosure

cc: Mr. Richard Shideler, ADF&G
Fairbanks Fish and Wildlife Field Office (FFWFO)
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

LETTER OF AUTHORIZATION
Incidental Take
(11-12)

ISSUED: April 15, 2011
EXPIRES: August 02, 2011

The North Slope Borough (NSB) is hereby authorized by the U.S. Fish and Wildlife Service (Service), Marine Mammals Management Office (MMM) Office to take small numbers of polar bears (*Ursus maritimus*) incidental to activities occurring during the Gas Fields Well Drilling Program (Project). Detailed descriptions of the authorized activities can be found in NSB's "Polar Bear Interaction and Monitoring Plan."

The NSB proposes to drill up to six new gas wells, plug and abandon up to eight depleted wells and install approximately 700 feet (213 meters) of new gathering pipeline and four well houses. New gathering lines and electric transmission lines will be mounted on vertical support members and well houses will be mounted on pilings. Two existing depleted gas wells will be permitted to be converted to disposal wells for exempt drilling fluids generated during the Project. The NSB will bring a small footprint drill rig and associated equipment to Barrow via commercial barge operations. Drill equipment will be transported by existing gravel roads or ice roads to locations in the existing Barrow gas fields.

This Letter of Authorization (LOA) is valid from the date of issuance through August 02, 2011. This authorization and the required conditions below apply to all employees, contractors, and personnel performing NSB approved work under the scope of operations to be conducted. This Service authorization stipulates the following conditions:

1. Intentional take of polar bears is prohibited under this authorization.

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

3. The NSB's "Polar Bear Interaction and Monitoring Plan the Barrow Gas Fields Well Drilling Program" are approved and all provisions must be complied with unless specifically noted otherwise in this authorization.

4. A copy of this LOA and the approved interaction and avoidance plans listed above must be

TAKE PRIDE IN AMERICA

posted and available for all personnel and in the possession of the operators of all vessels and aircraft engaging in the activities approved under the authority of this LOA.

5. NSB operations managers, or designates, must be fully aware, understand, and be capable of implementing the conditions of this authorization.

6. This authorization is valid only for activities (including support vessels, vehicles and aircraft) associated with NSB's Gas Fields Well Drilling Program, as specified in the NSB's January 27, 2011 request for authorization.

7. At the discretion of the Service, NSB 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.

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

   a. NSB 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.

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

   c. NSB 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. Evidence of polar bears, such as tracks, carcass or dens will also be reported.

   d. NSB 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:

      i. The operations that were conducted.
      ii. The methods, results, and interpretation pertaining to all monitoring tasks.
      iii. The results of the monitoring.
      iv. Sightings (species, numbers, dates, times and locations; age/size/gender, environmental correlates, activities, and associated survey activities).
      v. Estimates of the amount and type of potential take (exposure) of polar to Project activities.
      vi. An analysis of the effects of operations (e.g., on sighting rates, sighting distances, behaviors, and movement patterns of polar bears).

vii. Provide an analysis of factors influencing detectability and polar bears during Project operations.
viii. Provide summaries of communications with hunters and potential effects on subsistence uses.

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

10. 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, this 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.

11. This Letter of 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.

Rosa Meek

Chief, Marine Mammals Management Office

APR 15 2011

Date