United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

JUL 22 2011

Ms. Sheyna Wisdom
Operations Manager
Olgoonik Fairweather, LLC
3201 C Street, Suite 700
Anchorage, Alaska 99503

Dear Ms. Wisdom:

Thank you for your May 20, 2011, letter requesting a Letter of Authorization (LOA) for the incidental take of polar bears and Pacific walrus in regards to the Olgoonik Fairweather, LLC (OLF) 2011 acoustic monitoring recorder deployment and retrieval project in the Beaufort Sea.

Enclosed is LOA 11-17 that will allow OLF to take small numbers of polar bears and Pacific walrus incidental to oil and gas industry activities at the location identified in your LOA request. The proposed start date for this project is mid July 2011, with operations completed by mid October 2011. All provisions contained within OLF's "Polar Bear/Personnel Interaction Plan, 2011 Environmental Studies Program, Olgoonik Fairweather, LLC" and "Pacific Walrus Avoidance and Interaction Plan, 2011 Environmental Studies Program, Olgoonik Fairweather, LLC" are incorporated by reference into this LOA.

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 (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 Marine Mammals Management Office (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

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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.

A requirement of this LOA is for OLF to provide observational data of polar bears and Pacific walrus 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 Marine Mammals Protection Act and the ESA.

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

Sincerely,

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

Enclosure

cc: 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
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Anchorage, Alaska 99503-6199

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U.S. Fish and Wildlife Service

LETTER OF AUTHORIZATION
(11-17)

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

Olgoonik Fairweather, LLC (OLF) is hereby authorized to take small numbers of polar bears and Pacific walruses (walruses) incidental to activities occurring during OLF's 2011 acoustic monitoring recorder deployment and retrieval project in the Beaufort Sea. OLF proposes to conduct deployment and retrieval of acoustic monitoring recorders in the Beaufort Sea during the approximate period of mid July to mid October 2011. The R/V Norseman II will be used to deploy and retrieve Directional Autonomous Seafloor Acoustic Recorders (DASAR), Upward Looking Sonar (ULS) packages, Metocean Buoys and Acoustic Wave and Current Profiler (AWAC) within the above stated time periods between Harrison Bay and Barter Island in the Beaufort Sea. Logistical support services, crew changes and resupply operations are to be coordinated out of Wainwright, Alaska.

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

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

2. The OLF "Polar Bear/Personnel Interaction Plan, 2011 Environmental Studies Program, Olgoonik Fairweather, LLC" and "Pacific Walrus Avoidance and Interaction Plan, 2011 Environmental Studies Program, Olgoonik Fairweather, LLC" are 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 plans listed above must be 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.

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

5. This authorization is valid only for those activities and locations identified in the request for a Letter of Authorization dated May 20, 2011, for the Beaufort Sea and described in the "Olgoonik Fairweather, LLC Beaufort Sea Instrumentation Science Program Plan of Operations, July to October 2011."

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

    a. OLF 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 and walruses.

    b. If any changes develop in the project during the period approved under this LOA, such as activities, location or methods, notify the Service, Marine Mammals Management Office (MMM) prior to the implementation of such changes.

    c. Avoid concentrations or groups of walruses and individuals or groups of polar bears hauled out onto land or ice by all vessels under the management of OLF. Operators of vessels should, at all times, conduct their activities at the maximum distance possible from known or observed concentrations of marine mammals. Under no circumstances, other than an emergency, should vessels operate within 800 meters (½ mile) of walruses or polar bears observed on land or ice.

    d. Take every precaution to avoid encroachment upon or harassment of walruses or polar bears in water when a vessel is operated near these animals. Maintain an 800 meter (½ mile) distance, when practicable. Vessels must reduce speed and steer around walruses or polar bears observed in water when able to do so. Vessels may not be operated in such a way as to separate members of a group of walruses or polar bears from other members of the group. Vessels will avoid multiple changes in direction and speed when walruses or polar bears are present.

    e. 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.

    f. OLF must designate a qualified individual or individuals as Marine Mammal Observers (MMO) to observe, record, and report the effects of project activities on polar bears and walruses to the Service, MMM within 24 hours of visual observation.

    g. For each walrus or polar bear sighting, an MMO or designated crew member will record at least the following:

i. a unique sighting identification number;
ii. MMO's name and contact information (phone, email, etc.);
iii. time, location (with latitude, longitude, and datum), heading, speed, activity, and identity of the observation vessel;
iv. action taken by vessel operator in response to sighting (describe);
v. for all other vessels visible within five km (approximately three miles) of the observation vessel, when polar bears or walruses are sighted, record the identification, bearing, distance, heading, speed, and activity of the other vessel(s);
vi. species (polar bear or walrus);
vii. group size (approximate number of individuals);
viii. age/size/sex categories (if determinable);
ix. behavior or activity of animals sighted (describe);
x. reaction of animal(s) to any vessel(s) (describe);
xi. substrate (water, ice, and/or land),
xii. heading (if determinable), bearing and distance from vessel of animal(s);
xiii. sighting cue (what caught MMOs attention);
xiv. environmental conditions including:
    - weather;
    - air temperature;
    - visibility, provide: 1) distance (km, mi, or nm), 2) light/dark/twilight and 3) glare (none, little, moderate, severe);
    - water depth (meters, feet, or fathoms);
    - sea state (Beaufort scale);
    - ice condition, provide: 1) estimated % ice cover in vicinity of sighting (10% increments), 2) estimated distance to pack ice (km, mi, or nm);
xv. estimated range (m, km, mi, or nm) at first sighting, estimated range (m, km, mi, or nm) at closest approach;
xvi. MMO comments or notes.

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

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

9. At the discretion of the Service, OLF 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.

10. OLF must submit an annual monitoring report to the Service, MMM as required under 50 CFR 18.128(f), 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:

    a. The operations that were conducted;

b. The methods, results, and interpretation pertaining to all monitoring tasks;
c. The results of the 2011 shipboard marine mammal monitoring;
d. Marine mammal sightings (species, numbers, dates, times, and locations, age/size/gender, environmental correlates, activities, associated survey activities);
e. Estimates of the amount and type of potential take (exposure) of walruses and polar bears (by species) to project activities;
f. An analysis of the effects of operations (e.g., on sighting rates, sighting distances, behaviors, movement patterns of walruses and polar bears);
g. An analysis of factors influencing detectability of walruses and polar bears during project operations;
h. 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.

14. 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.

JUL 2 2 2011

Chief, Marine Mammals Management

Date