



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Rd.

Anchorage, Alaska 99503-6199

AFES/MMM

DEC 15 2006

Mr. Jason Charton
Senior Environmental Coordinator
700 G Street, ATO-1446
P.O. Box 100360
Anchorage, Alaska 99510-0360

Dear Mr. Charton:

This responds to the letter ConocoPhillips Alaska Inc. (CPAI) submitted to the U.S. Fish and Wildlife Service (USFWS) dated October 20, 2006, requesting a Letter of Authorization (LOA) for the incidental take of polar bears for the Makua Exploration Program.

Enclosed is a LOA (06-15) that would allow CPAI to take small numbers of polar bears incidental to oil and gas industry exploration activities at the above location identified in your LOA request. The proposed start date for this project is January 2007. The Makua exploration program has 2 components:

1. construction of exploration drill pad for the project area; the construction of an ice road and rolligon trail system to access the project area, and;
2. the mobilization, drilling, and demobilization of one drilling rigs to support exploration activities within the project area.

If any changes develop in your project during the 2006-07 winter season, such as activities or location, please notify the Marine Mammals Management Office prior to the planned operation. This would allow us to evaluate the activity and, if appropriate, amend your LOA.

Historical polar bear denning activity reveals that some creek cutbanks and river bluffs provide suitable denning habitat for polar bears, especially in and around the larger, braided rivers, such as the Colville River delta and its adjacent drainages (see enclosed map; Figure 1). Activities, such as ice road and rolligon trail construction and placement of drill pads, occurring in areas near preferred denning habitat may encounter denning polar bears. Disturbance during denning could lead to abandonment of dens and possible mortality to cubs. The USFWS 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, use caution when operating near these areas during the maternal denning period (mid November to mid April). Furthermore, CPAI will provide copies of the polar bear observation form to all CPAI contractors operating under the

Mr. Jason Charton

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LOA. Report any polar bear sightings, signs to this office by phone or using the polar bear observation form. Report any possible den locations that are found during work activities immediately to our office. Furthermore, USFWS 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.

Polar bear conservation has benefited from monitoring programs associated with the Incidental Take program since 1993. Monitoring serves to assess the effect of industrial activities on polar bears by evaluating trends and effects of bear encounter rates, take frequency, as well as the location and timing of encounters.

This authorization is issued in accordance with our regulations listed at 71 FR 43926, dated August 2, 2006. Please review these regulations. Should you have any further questions 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

Enclosure

cc: Mr. Richard Shideler, ADF&G
LE
FFWFO

MMM

ISSUED: December 8, 2006

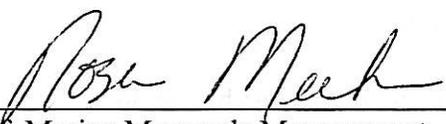
EXPIRES: June 30, 2007

LETTER OF AUTHORIZATION
(06-15)

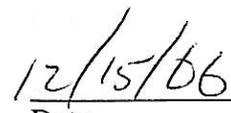
ConocoPhillips Alaska, Inc. (CPAI) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the Makua exploration project. This includes, but is not limited to, the construction of an ice road and winter trail system to access the Makua site. The LOA is valid from the date of issuance to June 30, 2007, or the close of tundra travel for the winter season of 2006-07, whichever comes first. This authorization and the required conditions below includes contractors of CPAI performing CPAI-approved work under the scope of operations to be conducted. Authorization is subject to the following conditions:

1. The November 2006 ConocoPhillips Polar Bear Avoidance and Human Encounter/Interaction Plan is approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. 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 authorization.
3. Intentional take is prohibited under this authorization.
4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated October 20, 2006.
5. Polar bear monitoring, reporting, and survey activities must be conducted in accordance with 50 CFR section 18.128. In addition, CPAI must comply with the following monitoring, mitigation, and reporting requirements:
 - CPAI must cooperate with the 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;
 - A den detection survey, such as a FLIR survey, to detect possible denning polar bears in the Makua project area, will be conducted in the effort to minimize disturbance to denning bears. The survey will include the ice

- road approaches to the site and the exploration site. The survey will be conducted prior to the initiation of activities at the Makua site, or as per Service instructions.
 - CPAI must not conduct activities that operate nor pass within 1 mile of known polar bear dens, and all observed dens must be reported to the Marine Mammals Management Office, Fish and Wildlife Service immediately. Should occupied dens be identified within one mile of activities, work in the immediate area will cease and 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 and Pacific walrus to the Service within 24 hours of visual observation;
 - at the discretion of the Fish and Wildlife Service, CPAI must allow the Fish and Wildlife Service to place an observer on the site to monitor the impacts of the activity on polar bears;
 - CPAI must submit an annual monitoring report to the Marine Mammals Management Office as required under 18 CFR 18.128(f), which will be received by September 30, 2007.
6. This authorization expires June 30, 2007, or as of the close of tundra travel for the winter season of 2006-2007, whichever comes first.



Chief, Marine Mammals Management



Date