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 29 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, request for a Letter of Authorization (LOA) for the incidental take of polar bears and Pacific walruses (walruses) in regards to the Olgoonik Fairweather LLC (OLF) 2011 Chukchi Sea Baseline Environmental Studies Program.

Please find enclosed LOA 11-04-CS that will allow OLF to take small numbers of polar bears and walruses incidental to oil and gas industry activities at the locations identified in your LOA request. The proposed start for this project is mid-July 2011 with operations completed by late October 2011. All provisions contained within the OLF "Chukchi Sea Environmental Studies Plan of Operations, July 15 to October 15, 2011," "Polar Bear/Personnel Interaction Plan 2011 Environmental Studies Program," and "Pacific Walrus Interaction Plan 2011 Environmental Studies Program" 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 Chukchi Sea Incidental Take Regulations" (Regulations) (June 2008; Tier 1 BO), the U.S. Fish and Wildlife Service (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 §18.114, (2) the LOA must include any mitigation measures that the Service, Marine Mammals Management Office (MMM) believes appropriate for the specific activity and location, as described in 50 CFR §18.118, 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.

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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 OLF 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 Marine Mammals Protection Act and the ESA.

This authorization is issued in accordance with our regulations listed in 73 FR 33212, dated June 11, 2008. 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,

ACTING Chief, Marine Mammals Management

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

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1011 E. Tudor Road
Anchorage, Alaska 99503-6199

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**U.S. Fish and Wildlife**

# LETTER OF AUTHORIZATION
# (11-04-CS)

ISSUED: July 29, 2011
EXPIRES: October 31, 2011

Olgoonik Fairweather LLC (OLF) is hereby authorized to take small numbers of polar bears and Pacific walruses (walruses) incidental to oil and gas industry activities occurring during the OLF 2011 Chukchi Sea Baseline Environmental Studies Program.

This 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 U.S. Fish & Wildlife Service (Service) authorization stipulates the following conditions:

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

2. The OLF "Chukchi Sea Environmental Studies Plan of Operations, July 15 to October 15, 2011," "Polar Bear/Personnel Interaction Plan 2011 Environmental Studies Program," and "Pacific Walrus Interaction Plan 2011 Environmental Studies Program" are approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization (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 this authorization.

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 Chukchi Sea and described in the OLF "Chukchi Sea Environmental Studies Plan of Operations, July 15 to October 15, 2011."

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6. Polar bear and walrus monitoring, reporting and survey activities must be conducted in accordance with 50 CFR § 18.118 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 industry 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. All vessels under management, contract, or direction of OLF will avoid concentrations or groups of walruses and individuals or groups of polar bears hauled out onto land or ice. 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. All vessels under management, contract, or direction of OLF shall take every precaution to avoid encroachment upon or harassment of walruses or polar bears in water and 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. Vessel operators will not deploy any line, wire, nets, or trawl gear from the vessel in the event any marine mammal(s) are present in the area. If any marine mammal(s) are observed in an area as a vessel approaches no line, wire, nets, or trawl gear will be deployed until the marine mammal(s) have departed from the area of their own volition. The MMO will confirm the area has been vacated by any marine mammal(s) prior to deployment of line, wire, nets, or trawl gear. The area shall be considered vacated by marine mammals if none have been observed within 15 minutes of the initial sighting.

   h. 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 5 km (3.1 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, MMM immediately.

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

9. At the discretion of the Service, OLF must allow 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 § 18.118, 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 Pacific walrus and polar bear monitoring;
d. Pacific walrus and polar bear 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 Chukchi 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.

ACTING Chief, Marine Mammals Management

7/29/11
Date