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 14 2011

Mr. Myron Fedak
U.S. Manager – Environment, Regulatory, and Land
Alaska Pipeline Project
c/o ExxonMobil Alaska Midstream Gas Investments, LLC
3201 C Street, Suite 505
Anchorage, Alaska 99503

Dear Mr. Fedak:

This responds to your June 7, 2011, request for a Letter of Authorization (LOA) for the incidental take of polar bears and Pacific walrus in relation to the ExxonMobil Alaska Midstream Gas Investments, LLC (Exxon) 2011 proposed Seafloor Sediment Sampling Program. This program is part of the Alaska Pipeline Project where the sampling program will occur east of West Dock in Prudhoe Bay on the North Slope of Alaska.

Enclosed is LOA 11-16 that will allow Exxon to take small numbers of polar bears and Pacific walrus incidental to oil and gas industry activities identified in your LOA request. Exxon's planned open-water sampling program will occur from July 2011 through August 2011. Activities, which are described in your application (Ref No: LT-ETAK-0319), will include sediment sampling using a marine vessel (approximately 50 feet [15 meters] in length). A Vibracore sampler and other hand-held sampling equipment will be used to collect samples through borings along the seafloor.

If any changes develop in your project during the 2011 open-water season, such as activities or location, the U.S. Fish & Wildlife Service (Service), Marine Mammals Management Office (MMM) must be notified prior to the planned operation. This will allow us to evaluate the activity and, if appropriate, amend the 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 July 2011. When new regulations are promulgated the Service will reauthorize a new LOA, if necessary.

In addition to protection measures for marine mammals described in the Exxon polar bear interaction plan (Polar Bear and Pacific Walrus Interaction and Monitoring Plan, USAG-UR-SPZZZ-000030, June 2001, Revision 0), the Service believes that Exxon personnel can limit human/polar bear interactions by being observant of approaching animals, such as through the use of Marine Mammal Observers, and discontinuing the interaction, if practicable, thereby allowing the animals to continue their travel. Service biologists are available for consultation if

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questions or concerns arise regarding polar bears during the project period at the phone numbers listed below and noted in your interaction plan.

Any situations where the application of deterrents involves a safety risk to personnel should be avoided. If a polar bear interaction escalates into a life threatening situation, Section 101(c) of the Marine Mammal Protection Act allows, without specific authorization, the take (including lethal take) of a polar bear if such taking is imminently necessary in self-defense or to save the life of a person in immediate danger, and such taking is reported to the Service, MMM within 24 hours.

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 Service determined that the take anticipated as a result of the issuance of the Incidental Take 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 issued, the following need to occur: (1) the proposed activity must provide the required information, as described in §18.118 of the Regulations, (2) the LOA includes any mitigation measures that the MMM believes appropriate for the specific activity and location, as described in §18.118 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 Incidental Take 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.

This authorization is issued in accordance with our regulations listed at 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

Enclosures

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

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U.S. Fish and Wildlife Service

LETTER OF AUTHORIZATION
(11-16)

ISSUED: July 11 2011
EXPIRES: August 2, 2011

ExxonMobil Alaska Midstream Gas Investments, LLC (Exxon) is hereby authorized to take, by Level B Harassment only, small numbers of polar bears and Pacific walrus incidental to activities occurring during the 2011 proposed Seafloor Sediment Sampling Program, east of West Dock in Prudhoe Bay on the North Slope of Alaska, which is a component of the Alaska Pipeline Project. A detailed description of the authorized activities is provided in the Alaska Pipeline Project Plan of operation – Prudhoe Bay Sediment Sampling Program (USAG-UR-SGLND-000029).

The Letter of Authorization (LOA) is valid from the date of issuance to August 2, 2011. This authorization and the required conditions below include contractors of Exxon performing Exxon-approved work under the scope of operations to be conducted. The authorization is subject to the following conditions:

1. Exxon Operations Managers, or designates, must be fully aware, understand, and capable of implementing the conditions of this authorization.

2. The species authorized for takings, by Level B Harassment only, are: Pacific walrus (*Odobenus rosmarus divergens*), and polar bear (*Ursus maritimus*). The taking of any walrus or polar bear in a manner prohibited under this authorization must be reported within 24 hours of the taking to the U.S. Fish and Wildlife Service (Service), Incidental Take Coordinator in Anchorage, Alaska at (907) 786-3800, or their designee.

3. This authorization is valid only for activities (including support vessels) described in Exxon's June 7, 2011, application. Changes in the sighting, timing, scope or nature of project activities will require prior review and approval.

4. The holder of this LOA is required to cooperate with the Service and any other Federal,

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state or local agency monitoring the impacts of the activity on walruses and polar bears.

5. At the discretion of the Service, the operator will allow the Service to place an observer on site (vessels) to monitor the impacts of the activity on Pacific walruses and polar bears.

6. The following documents are hereby approved, and all provisions unless specifically noted are incorporated into this authorization by reference:

a) The 2011 Alaska Pipeline Project Plan of operation – Prudhoe Bay Sediment Sampling Program (USAG-UR-SGLND-000029, June 2011, Revision 0).
b) The 2011 Polar Bear and Pacific Walrus Interaction and Monitoring Plan, (USAG-UR-SPZZZ-000030, June 2001, Revision 0).

7. If any changes develop in your project during the 2011 Prudhoe Bay Seafloor Sediment Sampling Program, such as activities or location, notify the Marine Mammals Management Office prior to the planned operation.

8. Prohibitions:

a) The taking, by incidental Level B harassment only, is limited to the species listed under condition two, above. The taking by Level A harassment, serious injury, or death of these species is prohibited and may result in the modification, suspension or revocation of this LOA.
b) The taking of any walrus or polar bear whenever the required marine mammal mitigation and monitoring measures have not been fully implemented as required by this authorization, is prohibited.

9. Polar bear and walrus monitoring and mitigation must be conducted in accordance with 50 CFR Section 18.118, where Exxon must comply with the following monitoring, mitigation, and reporting requirements:

The holder of this LOA is required to:

a) Avoid concentrations or groups of walruses and polar bears hauled out on land or ice by all vessels under the management of Exxon. Operators of support vessels should, at all times, conduct their activities at the maximum distance possible from known or observed concentrations of animals. 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.
b) Take every precaution to avoid 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 when walruses or polar bears are observed in water and vessels capable of steering around these animals must 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 should avoid multiple changes in direction and speed when walruses or polar bears are present.

c) Operate in full compliance with the terms identified in the approved documents identified in condition six, above.
d) Restriction of walrus or polar bear movements, by any means, in sea or on land, is prohibited. Separation distances must be maintained until animals have left the area.

10. Monitoring.

Vessel Monitoring:
For each walrus or polar bear sighting, a Marine Mammal Observer (MMO) or designated crew member will record the following:

a) Species, group size, age/size/sex categories (if determinable), behavioral activity, heading (if consistent), bearing and distance from vessel, sighting cue, and apparent reaction of animals seen near the vessel.
b) Time, location, heading, speed and activity of the vessel, along with sea state, visibility, cloud cover, and sun glare at any time a walrus or polar bear is sighted.
c) The identification of all vessels that are visible within five km (approximately three miles) of the vessel whenever a marine mammal is sighted, and the time observed, bearing, distance, heading, speed and activity of the other vessel(s).

11. Reporting:

a) *Weekly summary of walrus and polar bear sightings.*
The operator must tabulate and report all walrus and polar bear sightings recorded by the MMOs from project vessels to the Service on a weekly basis. For each walrus or polar bear sighting include:

- A unique sighting identification number;
- Species, group size, age/size/sex categories, and substrate (on ice, in water, both);
- Date, time and location;
- Environmental conditions including: water depth (meters), sea state (Beaufort scale), visibility 1 (#km), visibility 2 (light/dark), visibility 3 (glare: none, little, moderate, severe), ice condition 1 (estimated % ice cover in vicinity of sighting), ice condition 2 (estimated distance (km) to pack ice);
- Estimated range (meters) at first sighting, estimated range (meters) at closest approach;
- The behavior of animals sighted (if determinable);
- Whether animals appeared to react to the presence of the ship (yes, no), if yes, describe the reaction of the animal(s);
- Vessel activity at time of sighting including: vessel name; vessel speed (knots); vessel activity code; action taken by operator in response to sighting; and,
- Any MMO comments or notes.

b) *Notification of incident report.*
The operator must report any incidental lethal take or injury of a polar bear or walrus.

c) *Post season monitoring report.*
A draft report will be submitted to the Service within 90 days after the end of the program. The report will describe in detail:

- The operations that were conducted;
- The methods, results, and interpretation pertaining to all marine mammal monitoring tasks;
- Marine mammal sightings (species, numbers, dates, times and locations; age/size/gender, environmental correlates, activities, associated survey activities);
- Provide an analysis of factors influencing detectability of walruses and polar bears.

12. A copy of this LOA and the Service-approved Polar Bear Interaction Plan must be in the possession of the operator of all vessels and aircraft engaging in the activity operating under the authority of this LOA.

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 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.

Roger Mech

Chief, Marine Mammals Management

JUL 1 4 2011

Date