IN REPLY REFER TO:

United States Department of the Interior

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

AFES/MMM

AUG 03 2011

Ms. Julie Lina
Regulatory and Environmental Affairs Coordinator
Pioneer Natural Resources Alaska, Inc.
700 G Street, Suite 600
Anchorage, Alaska 99501

Dear Ms. Lina:

This responds to the letter Pioneer Natural Resources Alaska, Inc. (Pioneer) submitted to the U.S. Fish and Wildlife Service (Service) dated April 21, 2011, requesting a Letter of Authorization (LOA) for the incidental take of polar bears and Pacific walruses for production activities in association with the Pioneer-operated Oooguruk Oilfield Unit (2011-16 Season). On August 3, 2011, final regulations that authorize the incidental, unintentional take of small numbers of polar bears and Pacific walrus during year-round oil and gas industry exploration, development, and production operations in the Beaufort Sea and adjacent northern coast of Alaska were issued for a period of five years. In accordance with these regulations, enclosed is an LOA (11-23) that allows Pioneer to take small numbers of polar bears and Pacific walrus incidental to year-round oil and gas exploration, production, and operations within the Oooguruk oil and gas unit, provided annual monitoring reports are received by January 15 of each year. Activities are ongoing and expected continue through the life of the regulations.

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. The Service believes that protection measures for polar bears described in Pioneer's Bear and Pacific Walrus Avoidance and Human Interaction/Encounter Plan contain appropriate safeguards to limit human/animal interactions and are hereby incorporated into the terms of the LOA by reference. Pioneer field camps and personnel can limit encounters of polar bears by being observant of approaching animals (i.e., the use of polar bear guards) and breaking off interactions, if practicable, by allowing the animals to continue their travel. We encourage Pioneer to implement terms of this plan. Service 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.

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 Kalubik Creek. Approximately 1782 miles (2870 km) of potential polar bear denning habitat is located between the Colville River and the Canning River; of that, approximately 300 miles (480 km) of potential polar bear habitat occurs within the boundaries of the above-mentioned oilfield unit. Disturbance during denning could lead to abandonment of dens and possible mortality to cubs. Use caution when operating near these areas during the maternal denning period (late October to mid April). The U.S. Geological Survey has posted information identifying polar bear denning habitat and GIS

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coverage available for downloading from the Alaska Science Center (ASC) website, plus associated documents. The den habitat map (ARC/INFO export file), the mapping manuscript (PDF file) and a picture of den habitat (JPG file) are now available on the ASC website (http://alaska.usgs.gov/science/biology/polar_bears/pubs.html). Please use these resources when planning activities in potential denning areas and contact us immediately if any dens are found in the Oilfield Units during oil and gas activities. In addition, biologists with the Service are also available for consultation if questions or concerns about arise regarding polar bears and walrus during this authorization.

Per the Programmatic Biological Opinion (Tier 1 BO) for the Beaufort Sea Incidental Take Regulations for Polar Bear, Pacific Walrus, and Polar Bear Critical Habitat (Regulations) (July 2011), issuance of this LOA also completes consultation for polar bears, Pacific walrus, and polar bear critical habitat pursuant to section 7 of the Endangered Species Act (ESA) of 1973, as amended. This LOA also serves as an "Incidental Take Statement" (ITS), which is required by the ESA in order for incidental take to be authorized.

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 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.

An additional requirement of this LOA is for Pioneer 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. This final report will be provided to the MMM. This report meets the tracking and reporting requirements relative to the documentation of take as required by the Marine Mammal Protection Act (MMPA) and the ESA.

This authorization is issued in accordance with our regulations listed at 76 FR 47010, dated August 3, 2011. Please review these regulations. 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 (907-786-3800).

Sincerely,

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

Enclosure

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

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AFES/MMM

LETTER OF AUTHORIZATION
(11-23)

ISSUED: August 3, 2011
EXPIRES: August 3, 2016

Pioneer Natural Resources Alaska, Inc. (Pioneer) is hereby authorized to take small numbers of polar bears and Pacific walruses incidental to activities occurring during production activities in association with the Pioneer-operated Oooguruk Oilfield Unit identified in your Letter of Authorization (LOA) request (April 21, 2011). This includes, but is not limited to, all activities associated with the ongoing work at the offshore drill site and the onshore production tie-in pad. This authorization and the required conditions below include contractors of Pioneer performing Pioneer-approved work under the scope of operations to be conducted. The scope of operations is limited to the activities that will be conducted during the production, operations, remediation, and rehabilitation of oil and gas facilities within the boundaries of the Oooguruk Oilfield Unit. In addition, it includes the travel corridors to access these sites. Activities within these fields are ongoing and are expected to continue through the end of the current incidental take regulations. This authorization does not include new exploratory activities outside of these established oil field unit. A detailed description of these activities can be found in, "Request for letters of Authorization for the Incidental and Intentional Take of Marine Mammals (2011-2016 Season) Oooguruk Development Project." This authorization is subject to the following conditions:

1. The Pioneer "Oooguruk Bear and Pacific Walrus Avoidance and Human Interaction/Encounter Plan (Revision 3 - April 2011)", is approved and all provisions must be complied with unless specifically noted otherwise in this LOA. A copy of this polar bear interaction plan must be available on site for all personnel.

2. Pioneer Operations Managers, or designates, must be fully aware, understand, and be capable of implementing the conditions of this LOA.

3. Intentional take is prohibited under this LOA.

4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated April 21, 2011.

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5. Polar bear monitoring, reporting, and survey activities will be conducted in accordance with 50 CFR 18, Section 18.128. The basic monitoring and reporting requirements follow:

- Pioneer must cooperate with the U.S. 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 and Pacific walrus.

- Pioneer must not conduct activities that operate nor pass within one mile (approximately 1600 meters) of known polar bear dens, and all observed dens must be reported to the Service, Marine Mammals Management Office (MMM) within 12 hours of discovery. If occupied dens are identified within one mile of activities, work within the immediate area will cease and the 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 Pioneer must comply with any additional measures specified.

- Pioneer will provide copies of the polar bear and Pacific walrus observation forms to all Pioneer contractors operating under the LOA.

- Pioneer must designate a qualified individual or individuals to report any Pacific walrus and polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings, to the MMM by phone or using the walrus or polar bear observation forms within 24 hours of visual observation.

- Pioneer must allow the Service to place an observer on the site to monitor the impacts of the activity on polar bears and Pacific walruses, at the discretion of the Service.

- Pioneer must submit an annual monitoring report to the Service, MMM as required under 18 CFR 18.128, which will be received up to 90 days after the expiration date of the LOA. This report meets the tracking and reporting requirements relative to the documentation of take as required by the Marine Mammal protection Act (MMPA) and the ESA.

6. In the Programmatic Biological Opinion for Polar Bears, Pacific Walrus, and Polar Bear Critical Habitat on Beaufort Sea Incidental Take Regulations (Regulations) (July 2011), the Service determined the total incidental take anticipated as a result of the issuance of the Regulations is not likely to result in jeopardy to the polar bear or Pacific walrus, and will not adversely modify polar bear critical habitat. In order for an Incidental Take Statement (ITS) to be

provided: (1) the proposed activity must provide the required information, as described in the §18.124 of the Regulations, (2) the LOA includes mitigation measures appropriate for the specific activity and location, as described in §18.128 of the Regulations, and (3) that the incidental take for the specific activity will be consistent with the negligible impact finding for the total take allowed under the Regulations.

We (MMM) have determined that the proposed action meet these three requirements. Therefore, issuance of this LOA also completes ESA requirements for authorization of incidental take of the polar bear. Compliance with the terms and conditions of the above LOA insures that the LOA holder is also in compliance with the ESA.

7. This Letter of Authorization is valid for the period indicated on this authorization, unless extended or terminated in writing by the Service, Marine Mammals Management Office.

Chief, Marine Mammals Management

AUG 0 3 2011

Date