United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

OCT 23 2013

Ms. Karen Bryant-Duncan
Great Bear Petroleum, LLC
601 West 5th Avenue, Suite 505
Anchorage, Alaska 99501

Dear Ms. Bryant-Duncan:

We have received your letter dated January 9, 2013, requesting a Letter of Authorization (LOA) for the incidental take of polar bears during activities for the Great Bear Petroleum, LLC (GBP) 2013 Exploration and Evaluation Program (E&E Program) on the North Slope of Alaska. On September 9, 2013, we received GBP's community meeting documentation which provided the final required component to complete the request for a LOA.

In response, enclosed is an LOA (13-06) that authorizes GBP to take small numbers of polar bears incidental to oil and gas industry activities for this project at the locations identified in your LOA that occur within 25-miles (approximately 40 kilometers) of the Arctic coast. Please be aware that our current Marine Mammal Protection Act Incidental Take Regulations published in the Federal Register (76 FR 47010), dated August 3, 2011, extend to a geographic range of only 25-miles inland from the Arctic coast. Because your activities will occur inland beyond that range the incidental take of polar bears that might occur at a greater distance would not be covered by our regulations; please review these regulations.

The majority of the GBP project activities are located outside the geographic region identified in the Beaufort Sea incidental take regulations. Past experiences at sites which are located at farther distances from the coast indicate that it is less likely that polar bears will be encountered in the area of your project. Regardless, use caution and report any polar bear sightings to the U.S. Fish and Wildlife Service (Service), Marine Mammals Management Office.

Great Bear Petroleum, LLC proposes to conduct E&E activities within GBP's North Slope Oil and Gas leases along the Dalton Highway corridor through 2013. This E&E Program is expected to include the following major activities:

- Transport equipment, materials, and personnel from North Slope oilfield infrastructure to and between the well site locations along the Dalton Highway and gravel spur access roads.
- Construct drill pads utilizing rig mats.

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- Drill up to four wells to extract core samples, perform well logging and reservoir evaluation, and, if successful, drill side track or lateral wells from the boreholes on the original surface locations.
- Perform short-term production flow tests using hydraulic fracturing technology.
- Establish production using portable processing units which will be transported by truck to the Trans-Alaska Pipeline System.

All provisions contained within GBP's *Bear Avoidance, Interaction, Mitigation and Monitoring Plan North Slope, Alaska (January 2012)* are incorporated by reference into this LOA. Full implementation of this plan is expected. If questions or concerns arise regarding polar bears during the project period, Service biologists are available for consultation at the phone numbers listed below and noted in your Interaction Plan. If any changes develop in your project please notify the Service prior to the planned operation. This will allow us to evaluate the activity and, if appropriate, amend your LOA.

The Service has completed intra-Service consultation and conference under the Endangered Species Act (ESA) of 1973, as amended, on the issuance of this LOA and has determined that issuance is not likely to jeopardize the continuing existence of polar bears. Therefore, no additional authorization under the ESA is required.

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, Alaska Department of Fish and Game (email)
U.S. Fish and Wildlife Service, Fairbanks Fish and Wildlife Field Office
U.S. Fish and Wildlife Service, Office of Law Enforcement
North Slope Borough, Department of Law

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U.S. Fish and Wildlife Service

LETTER OF AUTHORIZATION
(13-06)

ISSUED: September 30, 2013
EXPIRES: September 30, 2014

Great Bear Petroleum, LLC (GBP) is hereby authorized to take small numbers of polar bears incidental to activities conducted during that portion of the 2013 Exploration and Evaluation Program (E&E Program) identified in your request that will occur within the geographic area of the Incidental Take Regulations, 25 miles (approximately 40 kilometers [km]) inland from the Arctic coast. Great Bear Petroleum, LLC proposes to conduct E&E Program activities within GBP's North Slope Oil and Gas leases along the Dalton Highway corridor through 2013. This E&E Program is expected to include the following major activities:

- Transport equipment, materials, and personnel from North Slope oilfield infrastructure to and between the well site locations along the Dalton Highway and gravel spur access roads.
- Construct drill pads utilizing rig mats.
- Drill up to four wells to extract core samples, perform well logging and reservoir evaluation, and, if successful, drill side track or lateral wells from the boreholes on the original surface locations.
- Perform short-term production flow tests using hydraulic fracturing technology.
- Establish production using portable processing units which will be transported by truck to the Trans-Alaska Pipeline System.

This Letter of Authorization (LOA) and the required conditions below include contractors of GBP performing GBP-approved work under the scope of operations for the 2013 E&E Program. The LOA is subject to the following conditions:

1. Intentional take is prohibited under this LOA.

2. GBP's *Bear Avoidance, Interaction, Mitigation and Monitoring Plan North Slope, Alaska (January 2012),* (Plan) is approved. All provisions must be complied with unless specifically noted otherwise in this LOA. A copy of the Plan must be available on site for all personnel.

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3. GBP Operations Managers, or designees, must be fully aware, understand, and be capable of implementing the conditions of this LOA.

4. Polar bear monitoring, reporting, and survey activities must be conducted in accordance with 50 CFR section 18.128. In addition, GBP must comply with the following monitoring, mitigation, and reporting requirements:

   - GBP 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.
   - GBP must not conduct activities that operate nor pass within one mile (1.6 km.) of known polar bear dens, and all observed dens must be reported to the Service, Marine Mammals Management Office (MMM) immediately. Should occupied dens be identified within one mile of activities, GBP must cease work in the immediate area and contact the Service, MMM for guidance. The Service, MMM 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 GBP must comply with any additional measures specified.
   - You must notify the Service, MMM prior to implementing any changes from those activities provided for in the GBP's project, such as activities or locations.
   - GBP must designate a qualified individual or individuals to observe, record, and report the effects of the activity on polar bears to the Service, MMM within 24 hours of visual observation.
   - Every polar bear observed must be recorded on a Polar Bear Observation Form. The observation report must include, but is not limited to:

     a. Date.
     b. Time.
     c. Observer name.
     d. Contact number/email.
     e. Location, with latitude, longitude, and datum, if applicable.
     f. Weather conditions at time of observation.
     g. Temperature.
     h. Visibility.
     i. Number of bears: sex and age.
     j. Estimated closest point of bears from personnel and facilities.
     k. Possible attractants present.
     l. Bear behavior.
     m. A description of the encounter.
     n. Duration of the encounter.
     o. Type of deterrents used and distance from bear when used.
     p. Agency/Contacts.

- Evidence of polar bears, such as tracks, carcass or dens, must also be reported.
- At the discretion of the Service, GBP must allow the Service to have an observer on the site to monitor the impacts of the activity on polar bears.
- GBP must submit a monitoring report to the Service, MMM as required under 18 CFR 18.128(f), which will be received within 90 days after completion of the project.

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

OCT 23 2013
Date