



IN REPLY REFER TO:

United States Department of the Interior

U.S. FISH AND WILDLIFE SERVICE
1011 East Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

DEC 01 2015

Ms. Teresa Imm
President
ARSC Exploration LLC
3900 C Street, Suite 800
Anchorage, Alaska 99503

Dear Ms. Imm:

We have received your request, dated September 24, 2015, for Letters of Authorization (LOAs) for the incidental and intentional (deterrent activities) take of polar bears during activities associated with the ARSC Exploration LLC (AEX) Placer #3 Exploration Drilling Program during the winter of 2015/2016 within the Placer Unit on the North Slope of Alaska.

In response, in accordance with Service regulations 50 CFR subpart J published on August 3, 2011 (76 FR 47010), enclosed is LOA 15-16 authorizing AEX to take small numbers of polar bears incidental to oil and gas activities in association with the AEX winter 2015/2016 Placer #3 Exploration Drilling Program. Also enclosed is Intentional Take Authorization LOA 15-INT-17, as authorized under sections 101 (a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act (MMPA) to take polar bears by harassment (deterrent activities).

A detailed description of the proposed activities is provided in the *AEX Request for Letter of Authorization (LOA) for the Incidental Take of Polar Bears and the Intentional Take of Polar Bears by Harassment – Placer #3 Exploration Drilling Program* (September 24, 2015), and the winter 2015/2016 Placer #3 Exploration Drilling Program *Unit Plan of Operations Application* (undated) included with that request.

Per the *Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear, Pacific Walrus, and Polar Bear Critical Habitat* (July 2011) and *Biological Opinion for the USFWS Region 7 Polar Bear and Pacific Walrus Deterrence Program* (January 13, 2014), issuance of these LOAs also completes consultation for polar bears pursuant to section 7 of the Endangered Species Act (ESA) of 1973, as amended. These LOAs also serves as an “Incidental Take Statement” (ITS), which is required by the ESA in order for incidental take to be authorized.

Should you have any further questions please contact Mr. Michael Hendrick or the Marine Mammals Management Office, at (907) 786-3479 or (907) 786-3800, or email at michael_hendrick@fws.gov, respectively.

Sincerely,

Active
C.S. Hunt
Chief, Marine Mammals Management

Enclosures

Email cc: Mr. Richard Shideler, Alaska Department of Fish and Game
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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1011 East Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

LETTER OF AUTHORIZATION Incidental Take (15-16)

ISSUED: December 4, 2015
EXPIRES: April 30, 2016

In accordance with Incidental Take Regulations at 50 CFR subpart J published on August 3, 2011 (76 FR 47010), ARSC Exploration LLC (AEX) is authorized to take small numbers of polar bears (*Ursus maritimus*) incidental to activities occurring during the Placer #3 Exploration Drilling Program during the winter of 2015/2016 within the Placer Unit on the North Slope of Alaska.

The AEX proposes to drill one oil and gas exploration well within the Placer Unit on the North Slope during the winter of 2015/2016. The Placer #3 well is located approximately 8-10 miles south of the Beaufort Sea coast, will be accessed via established gravel roads in the Kuparuk River Unit (KRU), as well as an ice road proposed to be constructed from KRU Drill Site (DS)-2A. An ice pad will be constructed at the drilling location. Operations are planned to begin in early December 2015, and completed with demobilization in May 2016. A detailed description of the proposed activities is provided in the AEX *Request for Letter of Authorization (LOA) for the Incidental Take of Polar Bears and the Intentional Take of Polar Bears by Harassment – Placer #3 Exploration Drilling Program* (September 24, 2015), and the winter 2015/2016 Placer #3 Exploration Drilling Program *Unit Plan of Operations Application* (undated) included with that request.

This Letter of Authorization (LOA) and the required conditions below apply to all AEX employees, contractors and personnel performing AEX-approved work under the scope of operations to be conducted. This authorization is subject to the following conditions.

1. This LOA authorizes incidental take only.
2. The AEX must comply with all requirements listed at 76 FR 47010, dated August 3, 2011, and 50 CFR §18.128.
3. AEX shall report all polar bear sightings, signs of polar bears (e.g., tracks or excavations), and any potential dens to the Service MMM using the polar bear observation report, within 24 hours via email to fw7_mmm_reports@fws.gov.

4. Project field camps and personnel shall limit encounters with polar bears by being observant of approaching bears (e.g., the use of polar bear guards) and by allowing bears to pass unhindered when possible.
5. Project operations managers, or designees, must understand, be fully aware of, and be capable of implementing the conditions of this LOA.
6. If changes develop in the project during the period approved under this LOA, such as activities, location, or methods, the Service MMM must be notified prior to the implementation of such changes.
7. The AEX must conduct the following mitigation, monitoring, and reporting.
 - (a) Mitigation: Holders of a LOA must use methods and conduct activities in a manner that minimizes to the greatest extent practicable adverse impacts on polar bears, their habitat, and on the availability of these marine mammals for subsistence uses. Dynamic management approaches, such as temporal or spatial limitations in response to the presence of marine mammals in a particular place or time or the occurrence of marine mammals engaged in a particularly sensitive activity (such as feeding), must be used to avoid or minimize interactions with polar bears and subsistence users of these resources.
 - (1) All applicants:
 - (i) Holders of a LOA must cooperate with the Service and other Federal, State, and local agencies to monitor the impacts of oil and gas industry (Industry) activities on polar bears.
 - (ii) Holders of a LOA must designate a qualified individual or individuals to observe, record, and report on the effects of Industry activities on polar bears.
 - (iii) Holders of a LOA must have an approved polar bear interaction plan on file with the Service and at work sites and polar bear awareness training must be provided to personnel. The AEX *Wildlife Avoidance & Interaction Plan* (August 2015) is incorporated by reference into this LOA. All provisions must be complied with unless specifically noted otherwise in this LOA
 - (iv) All holders for a LOA must contact affected subsistence communities to discuss potential conflicts caused by location, timing, and methods of proposed operations and submit to the Service a record of communication that documents these discussions. If appropriate, the applicant for a LOA must also submit to us a POC that ensures that activities will not interfere with subsistence hunting and that adverse effects on the availability of polar bear are minimized (see § 18.124(c)(4)).
 - (v) If deemed appropriate by the Service, holders of a LOA will be required to hire and train polar bear monitors to alert crew of the presence of polar bears and initiate adaptive mitigation responses.
 - (2) Onshore activities:
 - (i) Holders of a LOA must make efforts to limit disturbance around known polar bear dens.
 - (ii) Holders of a LOA seeking to carry out onshore exploration activities in known or suspected polar bear denning habitat during the denning season (November–April) must make efforts to locate occupied polar bear dens within and near proposed areas of operation, utilizing appropriate tools, such as, forward-looking infrared (FLIR) imagery and/or polar bear scent-trained dogs. All

- observed or suspected polar bear dens must be reported to the Service prior to the initiation of activities.
- (iii) Holders of a LOA must observe a 1.6-km (1-mi) operational exclusion zone around all known polar bear dens during the denning season (November–April, or until the female and cubs leave the areas). Should previously unknown occupied dens be discovered within 1.6 km (1 mi) of activities, work must cease and the Service 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 the holder of the LOA must comply with any additional measures specified.
 - (iv) A map of potential coastal polar bear denning habitat can be found at: http://alaska.usgs.gov/science/biology/polar_bears/products.html. This measure ensures that the location of potential polar bear dens is considered when conducting activities in the coastal areas of the Beaufort Sea.
 - (v) Holders of a LOA must restrict the timing of their activity to limit disturbance around dens.
- (3) Operating conditions for aircraft:
- (i) Operators of support aircraft should, at all times, conduct their activities at the maximum distance possible from polar bears.
 - (ii) Under no circumstances, other than an emergency, should aircraft operate at an altitude lower than 457 m (1,500 ft) within 805 m (0.5 mi) of polar bears observed on ice or land. Helicopters may not hover or circle above such areas or within 805 m (0.5 mile) of such areas. When weather conditions do not allow a 457-m (1,500- ft) flying altitude, such as during severe storms or when cloud cover is low, aircraft may be operated below the 457- m (1,500-ft) altitude stipulated above. However, when aircraft are operated at altitudes below 457 m (1,500 ft) because of weather conditions, the operator must avoid polar bear occupied areas and should take precautions to avoid flying directly over or within 805 m (0.5 mile) of these areas.
 - (iii) Plan all aircraft routes to minimize any potential conflict with active or anticipated polar bear subsistence hunting activity as determined through community consultations.
- (4) Holders of a LOA must conduct their activities in a manner that, to the greatest extent practicable, minimizes adverse impacts on the availability of polar bears for subsistence uses.
- (b) Monitoring: Depending on the location, timing, and nature of proposed activities, holders of a LOA will be required to do the following.
- (1) Maintain trained, Service-approved, onsite observers to carry out monitoring programs for polar bears necessary for initiating adaptive mitigation responses. Polar bear monitors will be required under the monitoring plan if polar bears are known to frequent the area or known polar bear dens are present in the area. Monitors will act as an early detection system for polar bear activity near Industry activity.
 - (2) Cooperate with the Service and other designated Federal, State, and local agencies to monitor the impacts of oil and gas activities in the Beaufort Sea on polar bears.

- (c) Reporting requirements: Holders of a LOA must report the results of specified monitoring activities to the Service MMM within 90 days after completion of activities. Reports must include, but are not limited to, the following information:
- (i) Dates and times of activity;
 - (ii) Dates and locations of polar bear activity as related to the monitoring activity; and
 - (iii) Results of the required monitoring activities, including an estimated level of take.
 - (iv) Monitoring requirements include, but are not limited to:
 - (A) For all activities, all sightings of polar bears must be recorded. Information within the sighting report will include, but is not limited to:
 - Date, time, and location of observation;
 - Number of bears, and their sex and age (if known);
 - Observer name and contact information;
 - Weather, visibility, and ice conditions at the time of observation;
 - Estimated closest point of approach for bears from personnel and facilities;
 - Industry activity at time of sighting, possible attractants present;
 - Bear behavior;
 - Description of the encounter;
 - Duration of the encounter; and
 - Actions taken.
 - (v) Polar bear observation reports: The operator must report, within 24 hours, all observations of polar bears during any Industry activity. Information within the observation report will include, but is not limited to:
 - (A) Date, time, and location of observation;
 - (B) Number of bears, and their sex and age (if known);
 - (C) Observer name and contact information;
 - (D) Weather, visibility, and ice conditions at the time of observation;
 - (E) Estimated closest point of approach for bears from personnel and facilities;
 - (F) Industry activity at time of sighting, possible attractants present;
 - (G) Bear behavior;
 - (H) Description of the encounter;
 - (I) Duration of the encounter; and
 - (J) Actions taken.
 - (vi) Notification of incident report: Reports should include all information specified under the species observation report, as well as a full written description of the encounter and actions taken by the operator. Any incidental lethal take or injury of a polar bear immediately.

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 necessary for self-defense or to save the life of a person in immediate danger, and such taking is reported to the Service within 48 hours.

Per the *Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear, Pacific Walrus, and Polar Bear Critical Habitat* (July 2011), issuance of this LOA also completes consultation for polar bears 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. This LOA is valid for the period indicated on this authorization, unless extended or terminated in writing by the Service, MMM.

If you have any further questions, please contact Mr. Michael Hendrick or the Marine Mammals Management Office at (907) 786-3479 or (907) 786-3800 or email at michael_hendrick@fws.gov.

Acting C.S. Harris
Chief, Marine Mammals Management

12.1.15
Date



IN REPLY REFER TO:

United States Department of the Interior

U.S. FISH AND WILDLIFE SERVICE
1011 East Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

LETTER OF AUTHORIZATION Intentional Take (15-INT-17)

ISSUED: December 4, 2015
EXPIRES: April 30, 2016

In accordance with sections 101(a)(4)(A), 109(h) and 112(c) of the Marine Mammal Protection Act of 1972 (MMPA), as amended, ARSC Exploration LLC (AEX) is authorized to intentionally take by Level B non-lethal harassment, or deterrence, small numbers of polar bears (*Ursus maritimus*) associated with activities occurring during the Placer #3 Exploration Drilling Program during the winter of 2015/2016 within the Placer Unit on the North Slope of Alaska.

The AEX proposes to drill one oil and gas exploration well within the Placer Unit on the North Slope during the winter of 2015/2016. The Placer #3 well is located approximately 8-10 miles south of the Beaufort Sea coast, will be accessed via established gravel roads in the Kuparuk River Unit (KRU), as well as an ice road proposed to be constructed from KRU Drill Site (DS)-2A. An ice pad will be constructed at the drilling location. Operations are planned to begin in early December 2015, and completed with demobilization in May 2016. A detailed description of the proposed activities is provided in the AEX *Request for Letter of Authorization (LOA) for the Incidental Take of Polar Bears and the Intentional Take of Polar Bears by Harassment – Placer #3 Exploration Drilling Program* (September 24, 2015), and the winter 2015/2016 Placer #3 Exploration Drilling Program *Unit Plan of Operations Application* (undated) included with that request.

Section 101(a)(4)(A) of the MMPA states that, “Except as provided in subparagraphs (B) and (C), the provisions of this chapter shall not apply to the use of measures-

- i. by the owner of fishing gear or catch, or an employee or agent of such owner, to deter a marine mammal from damaging the gear or catch;
- ii. by the owner of other private property, or an agent, bailee, or employee of such owner, to deter a marine mammal from damaging private property;
- iii. by any person, to deter a marine mammal from endangering personal safety; or
- iv. by a government employee, to deter a marine mammal from damaging public property,

so long as such measures do not result in the death or serious injury of a marine mammal.”

Section 112(c) allows for the transfer of Federal authority “... as may be necessary to carry out the purposes of this title (Conservation and Protection of Marine Mammals)... and on such terms as he deems appropriate with any Federal or State agency, public or private institution, or other person.”

Section 109(h)(1) states that, “nothing in this title [Conservation and Protection of Marine Mammals]... shall prevent a Federal, State, or local government official or employee or a person designated under section 112(c) from taking, in the course of his or her duties as an official, employee, or designee, a marine mammal in a humane manner (including euthanasia) if such taking is for-

- A. the protection or welfare of the mammal,
- B. the protection of the public health and welfare, or
- C. the non-lethal removal of nuisance animals.”

The purpose of authorizing taking by Level B non-lethal harassment, or deterrence, is to maintain human and bear safety and welfare in polar bear habitat. Authorizing Level B harassment take reduces the likelihood of death or injury of polar bears. This is accomplished by the following objectives:

- Prevent bears from associating food with humans and facilities.
- “Teach” bears to avoid people.
- Allow bears to use travel routes (natural and human made) to move along the coast.
- Prevent bears from extended use of areas around facilities.

This Letter of Authorization (LOA) is subject to the following conditions:

1. This LOA is restricted to Level B non-lethal harassment or deterrent activities.
2. The AEX *Wildlife Avoidance & Interaction Plan* (August 2015) is approved and all provisions must be complied with unless specifically noted otherwise in this LOA. A copy of this interaction plan must be available on site for all personnel.
3. The AEX operations managers, or designates, must be fully aware, understand, and be capable of implementing the conditions of this authorization.
4. This LOA is issued specifically to AEX who is responsible for ensuring **trained and qualified** personnel are assigned the task to harass (deter) polar bears. A list of trained personnel responsible for deterrence will be on file prior to initiation of activities with the Service Incidental Take Coordinator.

5. The AEX is solely responsible for ensuring that personnel operating under this authorization meet all Federal and State laws and regulations regarding the use and carry of firearms should firearms be used for bear deterrence.
6. The AEX, or its designated agent, is responsible for documenting and reporting to the U.S. Fish and Wildlife Service (Service) Marine Mammals Management Office (MMM) all instances involving harassment activities as soon as possible and no later than 24 hours after the occurrence.
7. Harassment or deterrence techniques must not cause injury or death of a bear. Types of harassment or deterrence techniques may include, but are not limited to:
 - Bear monitors.
 - Air horns.
 - Electric fences.
 - Chemical repellents.
 - Acoustic recordings.
 - Vehicles.
 - Projectiles, such as, cracker shells, bean bags, rubber bullets, and screamers.
8. Prior to conducting a harassment activity, operators must:
 - Make a reasonable effort to reduce or eliminate attractants.
 - Secure site, notify supervisor and move personnel to safety.
 - Ensure bear has escape route(s).
 - Ensure communication with all personnel.
9. When conducting a harassment activity, operators must:
 - Keep in mind that the safety and welfare of the bear is second only to the safety and welfare of humans in a harassment or deterrence situation.
 - Chose the method that will have the least effect on the bear and increase the intensity of the method or use additional methods only if necessary.
 - Shout at the bear before using projectiles or other methods.
 - Move bear in proper direction; continue with minimally necessary deterrents to receive desired result.
10. After a harassment event has occurred, operators must:
 - Monitor bears movement (to ensure no return).
 - Notify supervisor and personnel when it is safe to resume work.
 - Fill out report to be sent to the Service as required above (within 24 hours).
11. A final report of all encounters and hazing events must be submitted to the Service MMM

within 60 days from the expiration date of this LOA.

12. Any lethal take or injury of a polar bear must be reported to the Service MMM immediately.

Per the *Biological Opinion for the USFWS Region 7 Polar Bear and Pacific Walrus Deterrence Program* (January 13, 2014), The Service has completed intra-Service consultation under the Endangered Species Act of 1973, as amended (ESA), on the issuance of this LOA and has determined its issuance is not likely to jeopardize the continuing existence of polar so long as the terms and conditions of this LOA are followed. No additional authorization under the ESA is required. This LOA is valid for the period indicated on this authorization, unless extended or terminated in writing by the Service, MMM. This LOA also serves as an "Incidental Take Statement" (ITS), which is required by the ESA in order for incidental take to be authorized.

If you have any further questions, please contact Mr. Michael Hendrick or the Marine Mammals Management Office at (907) 786-3479 or (907) 786-3800 or email at michael_hendrick@fws.gov.



Chief, Marine Mammals Management

12.1.15

Date

Acting