



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

APR 30 2012

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

Dear Ms. Lina:

Thank you for your request dated February 2, 2012, submitted to the U.S. Fish and Wildlife Service, Marine Mammals Management Office (Service) for Letters of Authorization (LOA) for the incidental take of polar bears and Pacific walrus and the intentional take of polar bears in association with the Pioneer Natural Resources Alaska, Inc. (Pioneer) Nuna Development Project and associated field studies (Nuna) and the North Slope Exploration Project (NSEP).

The Service will respond to your request for authorization for intentional take of polar bears under a separate cover letter.

The Service has determined that protection measures for polar bears described in Pioneer's *Ooguruk Development Project Bear and Pacific Walrus Avoidance and Human Interaction/Encounter Plan (Revision 3 - April 2011)*, including *Addendum C – North Slope Exploration Project 2011-2012 (August 2011)*, *Addendum D, Nuna Development Activities (August 2011)*, *Addendum E, Nuna Studies (February 2012)* as well as Pioneer's *Health, Safety And Environmental, (Standard Operating Procedures), Subject: F-019: Polar Bear Notifications (Rev: 4 Date: May 23, 2011)*, contain appropriate safeguards to limit human/animal interactions and are hereby incorporated into the terms of this LOA by reference. Pioneer shall implement the terms of these plans. Pioneer field camps and personnel can limit encounters with 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.

Historical polar bear denning activity reveals that some coastal and river bluffs and creek cutbanks provide suitable denning habitat for polar bears, especially in and around the larger, braided rivers, such as the Colville River and Kalubik Creek. Approximately 1782 miles (2870 km) of potential polar bear denning habitat is located between the Colville River and the Canning River alone. Disturbance during denning could lead to abandonment of dens and possible mortality to cubs. Pioneer must use caution when operating near these areas during the maternal denning period (late October to mid April).



The U.S. Geological Survey has posted GIS and other information identifying polar bear denning habitat on the Alaska Science Center (ASC) website (http://alaska.usgs.gov/science/biology/polar_bears/pubs.html). Specifically, the den habitat map (ARC/INFO export file), the mapping manuscript (PDF file) and a picture of den habitat (JPG file) are now available. Use these resources when planning activities in potential denning areas and contact us immediately if any dens are found during oil and gas activities. In addition, Service biologists are available for consultation if questions or concerns arise regarding polar bears and walrus during Pioneer's activities.

Per the *Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear, Pacific Walrus, and Polar Bear Critical Habitat (July 2011)* (Tier 1 BO) 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.

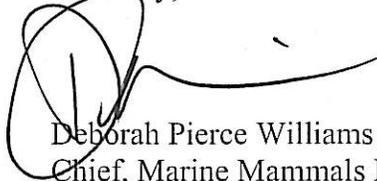
Reasonable and prudent mitigation measures, as well as implementing terms and conditions were included in the Tier 1 BO and have been incorporated into the LOA process. Issuance of this ITS, with the LOA completes ESA requirements for authorization of incidental take of the polar bear. Compliance with 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 to the Service 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 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.

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.

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah Pierce Williams", with a long horizontal flourish extending to the right.

Deborah Pierce Williams
Chief, Marine Mammals Management

Enclosure

Ms. Julie Lina

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cc: Mr. Richard Shideler, Alaska Department of Fish & Game
Fairbanks Fish and Wildlife Field Office (FWFO)
Office of Law Enforcement (OLE)
North Slope Borough Department of Law



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U.S. Fish and Wildlife Service

LETTER OF AUTHORIZATION (12-11)

ISSUED: April 20, 2012
EXPIRES: April 20, 2013

Pioneer Natural Resources Alaska, Inc. (Pioneer) is hereby authorized to take small numbers of polar bears and Pacific walrus incidental to activities occurring during the Nuna Development Project and associated field studies (Nuna) and the North Slope Exploration Project (NSEP). Pioneer proposes to conduct field studies during the Nuna Project from April to December 2012 to support work for the Oooguruk expansion that will consist of onshore production drillsites, flowlines and powerlines elevated on vertical support members and a pig launching and receiving tie-in pad on State of Alaska oil and gas leases near the Colville River Delta. Pioneer has previously proposed to drill and test two exploration wells from ice pads on State of Alaska oil and gas leases during the 2011-2012 winter season. One well (Sikumi No. 1) was drilled approximately two miles (approx. 3.2 km) west of the Oooguruk drill site (ODS) and was plugged and abandoned after completion of the activities. The other well (Nuna No. 1) was drilled at the proposed Nuna Drill Site 1 (NDS1) location which is located 2.5 miles (4 km) northwest of Kuparuk River Unit (KRU) Drill Site 3-S (DS-3S). This well will be preserved as a development well as part of the Nuna project.

This authorization includes, but is not limited to, all activities associated with the Nuna and NSEP Projects. This authorization and the required conditions below include contractors of Pioneer performing Pioneer-approved work under the scope of operations to be conducted. A detailed description of these activities can be found in Pioneer's *Request for Letters of Authorization for the Incidental and Intentional Take of Marine Mammals North Slope Exploration Project (2011-2012)* dated August 2, 2011, and *Request for Letters of Authorization for the Incidental and Intentional Take of Marine Mammals Nuna Project* dated February 2, 2012, as well as the *Oooguruk Development Project Bear and Pacific Walrus Avoidance and Human Interaction/Encounter Plan (Revision 3 - April 2011)*, including *Addendum C - North Slope Exploration Project 2011-2012 (August 2011)*, *Addendum D, Nuna Development Activities (August 2011)*, *Addendum E, Nuna Studies (February 2012)*.



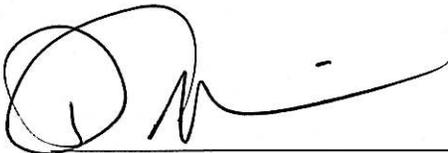
This authorization is subject to the following conditions:

1. Pioneer's *Oooguruk Development Project Bear and Pacific Walrus Avoidance and Human Interaction/Encounter Plan (Revision 3 - April 2011)*, including *Addendum C – North Slope Exploration Project 2011-2012 (August 2011)*, *Addendum D, Nuna Development Activities (August 2011)*, *Addendum E, Nuna Studies (February 2012)* as well as Pioneer's *Health, Safety And Environmental, (Standard Operating Procedures), Subject: F-019: Polar Bear Notifications (Rev: 4 Date: May 23, 2011)* are approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization (LOA). A copy of these plans must be available on site for all personnel.
2. Pioneer Operations Managers, or designees, 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 Pioneer's request for a Letter of Authorization dated February 2, 2012, as indicated above.
5. Polar bear monitoring, reporting and survey activities will be conducted in accordance with 50 CFR §18.128. The basic monitoring and reporting requirements follow:
 - Pioneer must cooperate with the U.S. Fish and Wildlife Service, Marine Mammals Management Office (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 immediately after 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 employees and contractors operating under terms of this 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 or diggings, to the Service by phone or using the Pacific 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 no later than 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 Endangered Species Act (ESA).
6. In the *Programmatic Biological Opinion for Polar Bears, Pacific Walrus, and Polar Bear Critical Habitat on Beaufort Sea Incidental Take Regulations (July 2011)* the Service determined the total incidental take anticipated as a result of the issuance of the regulations (76 FR 47010, August 3, 2011) 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 50 CFR §18.124, (2) the LOA must include mitigation measures appropriate for the specific activity and location, as described in 50 CFR §18.128, and (3) the incidental take for the specific activity must be consistent with the negligible impact finding for the total take allowed under the regulations.

The Service has determined that the proposed action meets 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 this LOA insures that the LOA holder is also in compliance with the ESA.

7. This LOA is valid for the period indicated above, unless extended or terminated in writing by the Service.



Chief, Marine Mammals Management

4/30/12

Date