United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

DEC 12 2012

Ms. Susan Childs
Shell Exploration and Production Company
3601 C Street, Suite 1314
Anchorage, Alaska 99503

Dear Ms. Childs:

We have received your request dated October 15, 2012, for Letters of Authorizations (LOAs) for the incidental and intentional take of polar bears during activities associated with the Shell Exploration and Production (Shell) 2013 Winter/Spring Beaufort Sea Ice Observation and On-Ice Data Buoy Deployment within the Outer Continental Shelf of the Eastern Beaufort Sea, Alaska.

Subsequent to our review of your request, we have determined that the proposed activities will not need an authorization for intentional take of polar bears; therefore, no Intentional Take LOA will be issued to Shell for this project. Enclosed is LOA 13-02 granting Shell authority to take small numbers of polar bears incidental to activities identified in your request.

This LOA will cover Shell's planned ice observation flights, and the deployment of data buoys in the Beaufort Sea starting in January 2013 and concluding by the end of May 2013. The exact dates of the proposed ice observation and buoy deployment flights cannot be determined at this time, as the planned surveys are dependent on weather and ice conditions. The proposed ice observation and buoy deployment flights will take place in the outer continental shelf of the eastern and central Beaufort Sea. A more detailed description of the proposed activity is included in Shell's Addendum 2013-01, *Letter of Authorization Application for the Incidental Take of Polar Bears Winter/Spring 2013 Winter Beaufort Sea Ice Observations and On-Ice Data Buoy Deployment*. October 2012. All provisions contained within Shell's Polar Bear Interaction Plan are incorporated by reference into this LOA. This authorization is issued in accordance with Marine mammal Protection Act Incidental Take Regulations published in the *Federal Register (*76 FR 47010), dated August 3, 2011. Please review these regulations.

An additional requirement of this LOA is for Shell to provide observational data of polar bears throughout the project and a complete report of all observations at the conclusion of the project. This final report must be provided to the Marine Mammals Management Office (MMM) within 90 days after completion of the project.

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 bear encounter rates, take frequency, as well as the location and timing of

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encounters. If questions or concerns arise during the project period, U.S. Fish and Wildlife Service (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, such as activities or location, the MMM must be notified prior to the planned operation. This will allow us to evaluate the activity and, if appropriate, amend the LOA.

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 that the issuance this LOA is not likely to jeopardize the continuing existence of the polar bear and is not likely to destroy or adversely modify polar bear critical habitat. No additional authorization under the ESA is required.

If you have any further questions, please contact Mr. Craig Perham or Mr. Christopher Putnam of our Marine Mammals Management Office, at (907) 786-3810 or (907) 786-3844, respectively.

Sincerely,

Acting Chief, Marine Mammals Management

Enclosure

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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U.S. Fish and Wildlife

LETTER OF AUTHORIZATION
(13-02)

ISSUED: January 1, 2013
EXPIRES: May 31, 2013

Shell Exploration and Production (Shell) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the 2013 Winter/Spring Beaufort Sea Ice Observation and On-Ice Data Buoy Deployment within the Outer Continental Shelf of the Eastern Beaufort Sea, Alaska. A more detailed description of the proposed activity is included in Shell's Addendum 2013-01, *Letter of Authorization Application for the Incidental Take of Polar Bears Winter/Spring 2013 Winter Beaufort Sea Ice Observations and On-Ice Data Buoy Deployment*. October 2012.

This Letter of Authorization (LOA) and the required conditions below include contractors of Shell performing Shell-approved work under the scope of operations to be conducted. The LOA is subject to the following conditions:

1. Intentional take is prohibited under this LOA.

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

3. The *Polar Bear, Pacific Walrus, and Grizzly Bear Avoidance and Human Encounter/Interaction Plan 2011- 2016 Program Activity Beaufort Sea and Adjacent Northern Coast of Alaska*, October 2011 and *Addendum 2013-01*, are approved. All provisions must be complied with unless specifically noted otherwise in this LOA. A copy of the Polar Bear Interaction Plan must be available on site for all personnel.

4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated October 15, 2012, and described in the Addendum 2013-01, *Letter of Authorization Application for the Incidental Take of Polar Bears Winter/Spring 2013 Winter Beaufort Sea Ice Observations and On-Ice Data Buoy Deployment*. October 2012.

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

   - Shell 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.

   - Shell 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's Marine Mammals Management Office (MMM) immediately. Should occupied dens be identified within one mile of activities, Shell must cease work in the immediate area and contact the MMM for guidance. The 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 Shell must comply with any additional measures specified.

   - Due to the importance of some coastal bluffs as polar bear denning habitat, flight paths for the surveys will be offset from the coastline of the Beaufort Sea by at least ½ mile (805 meters) and 1,500 feet (457 meters) above ground level.

   - If requested, Shell must make flight paths of the ice observation flights available to the Service.

   - If any changes develop in Shell's project during the 2013 winter/spring season, such as flight paths, activities or location, Shell must notify the Service prior to the planned operation.

   - Shell must designate a qualified individual or individuals to observe, record, and report the effects of the activity on polar bears to the Service within 24 hours of visual observation.

   - Every polar bear observed must be recorded on a Polar Bear Observation Form. The observation report should 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, Shell must allow the Service to have an observer on the site to monitor the impacts of the activity on polar bears.

- Shell must submit a monitoring report to the Marine Mammals Management Office as required under 18 CFR 18.128(f), which will be received within 90 days after completion of the project.

6. 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 that the issuance this LOA is not likely to jeopardize the continuing existence of polar bears and is not likely to destroy or adversely modify polar bear critical habitat. 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. No additional authorization under the ESA is required.

7. This Letter of Authorization is valid for the period indicated above, unless extended or terminated in writing by the U.S. Fish and Wildlife Service.

Acting

Chief, Marine Mammals Management

DEC 12 2012

Date