United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

APR 11 2008

Dr. Diane Sanzone, Ph.D.
Senior Environmental Scientist
BP Exploration (Alaska) Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, Alaska 99519-6612

Dear Dr. Sanzone:

This responds to your March 27, 2008, request for Letters of Authorization (LOA) from the U.S. Fish and Wildlife Service (Service) for the incidental take of polar bears and Pacific walrus in regards to the BP Exploration (Alaska), Inc. (BPXA) 2008 Challenge Island #1 Well Cellar Removal Project. The proposed start date for the first portion of this project is April 20, 2008. The BPXA Challenge Island #1 Well Cellar Removal Project, has 4 components:

1. Movement of all terrain vehicle east along the coast of the Beaufort Sea from Endicott causeway to Challenge Island (approximately 60 miles) starting on or after April 20, 2008. In addition, a helicopter may also be used prior to April 20 for a site inspection. Only one or two days are required for the site inspection.

2. Movement of all terrain vehicles, heavy equipment, fuel tanks less than 10,000 gallons, and a 12-15 person camp east on the sea ice along the coast from Endicott Causeway, south of Tigvariak Island, and then north out to Challenge Island, a barrier island near Point Thompson. Helicopters may also be used to transport materials, personnel, and supplies from Deadhorse, Alaska. No ice roads will be constructed.

3. Construction and placement of the 12-15 person camp, including temporary fuel storage tanks of less than 10,000 gallons of diesel.

4. Removal of the C1#1 well cellar and marker post to the required depth of 5 feet below the mud line.

Enclosed is an LOA (08-11) that would allow BPXA to take small numbers of polar bears and walruses incidental to the site inspection and remediation work to be conducted starting April 20 2008. If any changes develop in your project during this season, such as activities or

location, please notify the Marine Mammals Management Office prior to the planned operation. That would allow us to evaluate the activity and, if appropriate, amend your LOA.

The Service believes that protection measures for polar bears described in BPXA's Field Operating Procedure, Polar bear Protocol, Attachment III, contains appropriate safeguards to limit human/animal interactions. Polar bear dens and or females with small cubs may be encountered along the coast from Endicott Island to Challenge Island. However, it is expected that most denning polar bears will have abandoned their den sites prior to the scheduled start date for the removal of the well cellar. BPXA field camps and personnel can limit encounters of polar bears by eliminating or reducing accessibility to attractants, 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. The Service biologists are available for consultation if questions or concerns arise regarding polar bears during the project period at the phone numbers listed below and noted in your interaction plan.

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. Additionally, through monitoring, the Service seeks to limit disturbance to maternal polar bear den sites, both known dens and those areas that could possibly be preferred by denning polar bears. Use caution when operating near these areas during the maternal denning period (mid November to mid April). The U.S. Geological Survey has posted information regarding polar bear denning habitat on 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 available on the ASC website (http://www.absc.usgs.gov/dataproducts.htm). Please use these resources when planning activities in potential denning areas and contact us immediately if any dens are found during oil and gas activities.

This letter, through a separate authorization, also grants BPXA authority to take polar bears by harassment (deterrence activities) for the protection of both human life and polar bears while conducting activities in polar bear habitat. This authorization allows only the harassment or deterrence of polar bears and does not authorize lethal take of a polar bear. This authorization is issued specifically to BPXA employees who are responsible for ensuring that trained and qualified personnel are assigned the task to harass (deter) polar bears. All polar bear harassment events are to be reported to our Marine Mammals Management Office within 24 hours. Observation forms can be faxed or emailed to our office. This authorization is effective for the period date of issuance to May 31, 2008. Intentional take is authorized under sections 101(a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act (MMPA). A final report of all encounters and hazing events is due 60 days from the expiration of this authorization (by approximately July 31, 2008).

The U.S. Fish and Wildlife Service (Service) believes that protection measures for marine mammals described in BPXA Polar Bear/Personnel Encounter Plan are also appropriate

safeguards to limit human/bear interactions. BPXA personnel can limit encounters of polar bears by being observant of approaching animals (i.e., the use of marine mammal observers) and breaking off interactions, if practicable, by allowing the animals to continue their travel. The Service biologists are available for consultation if questions or concerns arise regarding polar bears during the project period at the phone numbers listed below and noted in your interaction plan.

Please avoid any situations where the application of deterrents involves a safety risk to personnel. If a polar bear interaction escalates into a life threatening situation, Section 101(c) of the MMPA allows, without specific authorization, the take (including lethal take) of a polar bear if such taking is imminently necessary in self-defense or to save the life of a person in immediate danger, and such taking is reported to the U.S. Fish and Wildlife Service, Marine Mammal Management Office within 24 hours.

The incidental authorization is issued in accordance with our regulations listed at 71 FR 43926, dated August 2, 2006. Please review these regulations. Should you have any further questions contact Mr. Craig Perham of our Marine Mammals Management Office at (907) 786-3800 or 786-3810.

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)

United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

ISSUED: April 7, 2008
EXPIRES: May 31, 2008

U.S Fish and Wildlife Service

INCIDENTAL TAKE LETTER OF AUTHORIZATION (08-11)

BP Exploration (Alaska), Inc. (BPXA) is hereby authorized to take small numbers of polar bears incidental to activities occurring(BPXA) 2008 Challenge Island #1 Well Cellar Removal Project. These activities are discussed in detail in the, "Request for Letter of Authorization and Deterrence Permit, Challenge island #1 Well Cellar Removal Project."

This authorization and the required conditions below include contractors of BPXA performing BPXA-approved work under the scope of operations to be conducted. Authorization is subject to the following conditions:

1. The BPXA Field Operating Procedure, Polar Bear Protocol, Attachment III (March 27, 2008) and the Polar Bear Awareness and Interaction Plan, Attachment IV, is approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. A copy of this polar bear interaction plan must be available on site for all personnel.

2. BPXA Operations Managers, or their designates, must be fully aware, understand, and capable of implementing the conditions of this authorization.

3. Intentional take is prohibited under this authorization.

4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated March 27, 2008.

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:

- BPXA 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;

- BPXA must not conduct activities that operate nor pass within 1 mile of known polar bear dens, and all observed dens must be reported to the Marine Mammals Management Office, Fish and Wildlife Service within 12 hours of discovery. Should occupied dens be identified within one mile of activities, work within a one-mile area will cease and 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 BPXA must comply with any additional measures specified.

- BPXA will provide copies of the polar bear observation form to all BPXA contractors operating under the LOA.

- BPXA must designate a qualified individual or individuals to report any polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings, to this office by phone or using the polar bear observation form within 24 hours of visual observation;

- BPXA must allow the Fish and Wildlife Service to allow an observer on the site to monitor the impacts of the activity on polar bears, at the discretion of the Fish and Wildlife Service;

- BPXA must submit an annual monitoring report to the Marine Mammals Management Office as required under 18 CFR 18.128(f), which will be received up to 90 days after the expiration date of the LOA (by August 31, 2008).

6. This authorization becomes effective April 20, 2008 and expires May 31, 2008.

Rose Merkh

Chief, Marine Mammals Management

4/11/08

Date

United States Department of the Interior

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Anchorage, Alaska 99503-6199

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ISSUED: April 20, 2008
EXPIRES: May 31, 2008

U.S. Fish and Wildlife Service

AUTHORIZATION TO TAKE, BY HARASSMENT, POLAR BEARS

Under Sections 101(a)(4)(A), 109(h) and 112(c) of the Marine Mammal Protection Act of 1972, as amended, BP Exploration (Alaska), Inc. (BPXA) is hereby authorized to deter polar bears in association with BPXA 2008 Challenge Island #1 Well Cellar Removal Project. The BPXA, Challenge Island #1 Well Cellar Removal Project, has 4 components:

1. Movement of all terrain vehicle east along the coast of the Beaufort Sea from Endicott causeway to Challenge Island (approximately 60 miles) on or after April 20. Helicopters may also be used prior to April 20 for pre inspection of the Well C1#1. One or two days are required for the site inspection.

2. Movement of all terrain vehicles, heavy equipment, fuel tanks less than 10,000 gallons, and a 12-15 person camp east along the sea ice along the coast from Endicott Causeway, south of Tigvariak Island, and then north out to Challenge Island, a barrier island near Point Thompson. Helicopters may also be used to transport materials, personnel, and supplies from Deadhorse, Alaska. No ice roads will be constructed and;

3. Construction and placement of the 12-15 person camp including temporary fuel storage tanks of less than 10,000 gallons of diesel. Fuel tanks will be double-walled and located within 100 feet of a water body.

4. Removal of the Challenge Island C1#1 well cellar and marker post to the required depth of 5 feet below the mud line.

Section 101(a)(4)(A) 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 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 harassment, or deterrence, is to maintain human and bear safety and welfare throughout the North Slope. Authorizing Level B harassment take reduces the likelihood of death or injury of polar bears. Level B harassment take will only occur for:

1. the protection or welfare of the mammal,
2. the protection of the public health and welfare, or
3. the non-lethal removal of nuisance animals.

Level B harassment take is accomplished using the following objectives:

1. Prevent bears from associating food with humans and communities
2. "Train" bears to avoid people
3. Allow bears to use travel routes (natural and man-made) to move along the coast
4. Prevent bears from extended use of areas around facilities

Harassment authorization is subject to the following conditions:

1. The BPXA Field Operating Procedure, Polar Bear Protocol, Attachment III (March 27, 2008) and the Polar Bear Awareness and Interaction Plan, Attachment IV, is approved, and all current provisions are incorporated into the following extension Letter of Authorization by reference. A copy of the polar bear interaction plan must be available in each community for all personnel responsible for deterrence.

2. BPXA Managers, or their designees, must be fully aware, understand, and capable of implementing the conditions of this authorization.

3. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated March 27, 2008.

4. This authorization is restricted to harassment activities.

5. Authorized individuals are responsible for documenting and reporting to the U.S. Fish and Wildlife Service, Marine Mammals Management Office, (907) 786-3800, all instances involving harassment activities as soon as possible and not later than 24 hours after the occurrence.

6. This authorization is issued specifically to BPXA who is responsible for ensuring that **trained and qualified** personnel are assigned the task to harass (deter) polar bears. A list of qualified BPXA personnel assigned to deter bears must be submitted to the U.S. Fish and Wildlife Service, Marine Mammals Management Office, Anchorage, Alaska, (907) 786-3800 within 14 days of receipt of this authorization and any personnel added subsequently should also be provided to this office.

7. Activities will not operate nor pass within 1 mile of known polar bear dens, and all observed dens will be reported to the Marine Mammals Management Office, Fish and Wildlife Service immediately. Should occupied dens be identified within one mile of activities, work in the immediate area will cease and Service will be contacted for guidance. The Service will evaluate these instances on a case-by-case basis to determine the appropriate action to minimize disturbance and safeguard the bear occupants of the den.

8. A final report of all encounters and hazing events must be submitted to the U.S. Fish and Wildlife Service, Marine Mammals Management Office no later than August 31, 2008.

9. Hazing techniques must not cause the injury or death of a bear. Types of hazing techniques may include, but are not limited to:

    - Bear Monitors
    - Air horns
    - Electric fences
    - Chemical repellents
    - Acoustic recordings
    - Vehicles
    - Projectiles: cracker shells, bean bags, rubber bullets, screamers, etc.

10. Prior to conducting a harassment activity, operators must:

    - Reduce/eliminate attractants
    - Secure site; notify supervisor; move personnel to safety
    - Ensure bear has escape route(s)
    - Ensure communication with all personnel

11. When conducting a harassment activity, operators must:

    - Choose 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 projectile (avoidance conditioning)
- Move bear in proper direction; continue with minimally necessary deterrents to receive desired result

12. After a harassment event has occurred, operators must:

    - Monitor bear movement (to ensure no return)
    - Notify supervisor and personnel to resume work
    - Fill out report to be sent to the Service as required under condition 4 (within 24 hours)

13. This 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.

14. This authorization becomes effective April 20, 2008 and expires May 31, 2008.

Signed: Rosa Mack

Date: 4/11/08