



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

JAN 15 2009

Mr. Bruce St. Pierre
Senior Environmental Coordinator
ConocoPhillips Alaska
P.O. Box 100360
Anchorage, Alaska 99510-0360

Dear Mr. St. Pierre:

This responds to your requests dated, December 1 and December 3, 2008, to the U.S. Fish and Wildlife Service (Service) for Letters of Authorization (LOA) for the incidental take of polar bears on the North Slope of Alaska in association with the 2009 ConocoPhillips Alaska, Inc. (CPAI) exploration program and the CD5 Satellite Development Program. Enclosed are LOAs (09-03, and 09-04) for ConocoPhillip's Exploration Program – Pioneer 1 and Grandview 1 East, respectively. Additionally, an LOA (09-05) is also enclosed for CD5 Satellite Development Program. These will allow CPAI to take small numbers of polar bears incidental to oil and gas industry exploration and development activities at the above location identified in your LOA requests. The proposed start date for these projects is January 2009. The CPAI Exploration Program has 2 components:

1. construction of exploration drill pads for each project area; the construction of a ice roads and a rolligon trail system to access each project area, which includes spur roads to support exploration activities, and;
2. the mobilization, drilling, and demobilization of a drilling rig to support exploration activities within the project areas.

The Service believes that protection measures for polar bears described in ConocoPhillip's Polar Bear Avoidance and Interaction Plan, Revision 5, February 2008 contains appropriate safeguards to limit human/animal interactions. CPAI field camps and personnel can limit encounters of polar bears by being observant of approaching animals (i.e., the use of polar bear guards) and where practicable, by allowing the animals to pass unhindered. CPAI will provide copies of the polar bear observation form to all CPAI contractors operating under the LOA. 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. Report any possible den locations that are found during work activities immediately to our office. Service biologists are available for consultation if

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questions or concerns arise 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.

As a precondition to the exploratory program, on December 11, 2008, a FLIR (Forward Looking Infrared) survey flight was conducted near the Grandview 1 exploratory site and the production sites, CD-3 and CD-4, to identify any potential polar bear dens within the project areas. The FLIR survey investigated den habitat within a 1-mile envelope near the Grandview drilling pad site. This survey was a cooperative effort between the CPAI and the Service. No polar bear dens were identified during this survey within the defined survey area.

Furthermore, in accordance with section 7 of the Endangered Species Act of 1973, as amended (ESA), issuance of this LOA also fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described herein. In the "Programmatic Biological Opinion for Polar Bears (*Ursus maritimus*) on Beaufort Sea Incidental Take Regulations" (June 2008; Tier 1 BO), the Service determined that the total take anticipated as a result of the issuance of the Regulations is not likely to result in jeopardy to the polar bear, in accordance with section 7 of the ESA. In order for the Tier 2 BO to be consistent with the "no jeopardy" conclusion of the Tier 1 BO and for an ESA incidental take statement (ITS) to be provided: (1) the proposed activity must provide the required information, as described in §18.124 of the Regulations, (2) the LOA must include any mitigation measures that the Service believes appropriate for the specific activity and location, as described in §18.128 of the Regulations, and (3) the Service must determine that the incidental take for the specific activity will be consistent with the negligible impact finding for the total take allowed under the Regulations.

Reasonable and prudent mitigation measures, as well as implementing terms and conditions were included for the Service 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.

Mr. Bruce St. Pierre

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An additional requirement of this LOA is for BPXA to provide 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 final report will be provided to the Service. 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.

This 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,

A handwritten signature in black ink, appearing to read "Rosa Meehan", written in a cursive style.

Rosa Meehan, Ph.D.
Chief, Marine Mammals Management

Enclosure

cc: Ms. Caryn Rea, CPAI
Mr. Richard Shideler, ADF&G
Fairbanks Fish and Wildlife Field Office (FWFO)
USFWS Office of Law Enforcement (OLE)
North Slope Borough Department of Law



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1011 E. Tudor Road
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AFES/MMM

ISSUED: January 9, 2009
EXPIRES: May 31, 2009

LETTER OF AUTHORIZATION (09-03)

ConocoPhillips Alaska, Inc. (CPAI) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the Pioneer 1 Exploration Program. This includes, but is not limited to, all activities associated with the work at the exploratory drill site and travel corridors. The Pioneer 1 Exploration Program includes the construction of one exploration drill pad to support one or more exploration wells and the mobilization, drilling, and demobilization of one drilling rig to support exploration activities. These activities are discussed in detail in the, "2008/2009 Exploration Drilling Program, Pioneer #1, Plan of Exploration and Permit Applications."

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

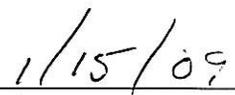
1. The CPAI Polar Bear Avoidance and Interaction Plan, Revision 5, February 2008, is approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. A copy of this polar bear interaction plan must be available on site for all personnel.
2. CPAI Operations 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 December 3, 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:

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- CPAI must cooperate with the Service, and other designated Federal, State, or local agencies to monitor the impacts of oil and gas exploration activities on polar bears;
 - CPAI 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 CPAI must comply with any additional measures specified.
 - CPAI 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;
 - CPAI 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;
 - CPAI 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.
6. Per the “Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear (June 2008)”, your request also triggers the second of the two-tiered programmatic process. In order for incidental take of the polar bear to be exempted from the prohibitions of the ESA, the LOA also serves as an “Incidental Take Statement” (ITS), required under section 7 of the Endangered Species Act of 1973 (ESA). Issuance of the LOA/ITS fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described in this letter.
7. This authorization expires May 31, 2009.



Chief, Marine Mammals Management



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ISSUED: January 9, 2009

EXPIRES: May 31, 2009

LETTER OF AUTHORIZATION (09-04)

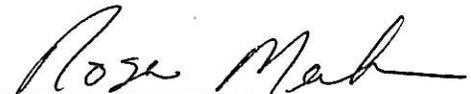
ConocoPhillips Alaska, Inc. (CPAI) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the Grandview 1 East Exploration Project. This includes, but is not limited to, all activities associated with the work at the exploratory drill site and travel corridors. The Grandview 1 East Exploration Program includes the construction of one exploration drill pad to support one or more exploration wells and the mobilization, drilling, and demobilization of one drilling rig to support exploration activities. These activities are discussed in detail in the, "2008/2009 Exploration Drilling Program, Grandview #1 (East), Plan of Exploration and Permit Applications"

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

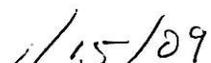
1. The CPAI Polar Bear Avoidance and Interaction Plan, Revision 5, February 2008, is approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. A copy of this polar bear interaction plan must be available on site for all personnel.
2. CPAI Operations 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 December 3, 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:



- CPAI must cooperate with the Service, and other designated Federal, State, or local agencies to monitor the impacts of oil and gas exploration activities on polar bears;
 - CPAI 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 CPAI must comply with any additional measures specified.
 - CPAI 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;
 - CPAI 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;
 - CPAI 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.
6. Per the “Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear (June 2008)”, your request also triggers the second of the two-tiered programmatic process. In order for incidental take of the polar bear to be exempted from the prohibitions of the ESA, the LOA also serves as an “Incidental Take Statement” (ITS), required under section 7 of the Endangered Species Act of 1973 (ESA). Issuance of the LOA/ITS fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described in this letter.
7. This authorization expires May 31, 2009.



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ISSUED: January 9, 2009

EXPIRES: May 31, 2009

LETTER OF AUTHORIZATION (09-05)

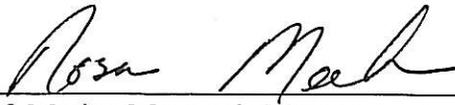
ConocoPhillips Alaska, Inc. (CPAI) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the CD5 Satellite Development program. This includes, but is not limited to, all activities associated with development pre-work along the travel corridor right-of-way. These activities are discussed in detail in an email from Bruce St. Pierre (CPAI) to Craig Perham (USFWS), dated January 9, 2009.

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

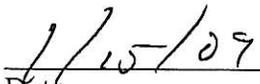
1. The CPAI Polar Bear Avoidance and Interaction Plan, Revision 5, February 2008, is approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. A copy of this polar bear interaction plan must be available on site for all personnel.
2. CPAI Operations 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 December 1, 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:
 - CPAI must cooperate with the Service, and other designated Federal, State, or local agencies to monitor the impacts of oil and gas exploration activities on polar bears;

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- CPAI 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 CPAI must comply with any additional measures specified.
 - CPAI 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;
 - CPAI 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;
 - CPAI 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.
6. Per the “Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear (June 2008)”, your request also triggers the second of the two-tiered programmatic process. In order for incidental take of the polar bear to be exempted from the prohibitions of the ESA, the LOA also serves as an “Incidental Take Statement” (ITS), required under section 7 of the Endangered Species Act of 1973 (ESA). Issuance of the LOA/ITS fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described in this letter.
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