



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

FEB 3 2009

Mr. Fred McDougal
Anadarko Petroleum Corporation
3201 C Street, Suite 603
Anchorage, Alaska 99503

Dear Mr. McDougal:

This responds to your request dated, November 21, 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 Anadarko Petroleum Corporation (Anadarko) Exploration Program. Enclosed is an LOA (09-12) for Anadarko's Exploration Program, which includes the Chandler, Gubik, and Wolf Creek prospects. This will allow Anadarko to take small numbers of polar bears incidental to oil and gas industry exploration activities at the above locations identified in your LOA requests. The proposed start date for these projects is January 2009.

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 encounters, take frequency, as well as the location and timing of encounters. 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>). These resources are available when planning activities in potential denning areas.

The Service believes that protection measures for polar bears described in Anadarko's Bear-Personnel Encounter Plan contains appropriate safeguards to limit human/animal interactions. Anadarko 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. Anadarko will provide copies of the polar bear observation form to all Anadarko contractors operating under the LOA. All terms of the Anadarko Polar Bear Interaction Plan are incorporated by reference and full implementation is expected. Additionally, 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

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den locations that are found during work activities immediately to our office. Service biologists are available for consultation if questions or concerns arise during the project period at the phone numbers listed below and noted in your interaction plan.

Our Incidental Take Regulations authorize incidental takes within 25 miles of the Beaufort Sea coast. The majority of your activities regarding Gubik, Chandler, and Wolf Creek are located outside the 25-mile area identified in our regulations, and thus incidental take can not be authorized; the exception is the ice road from Drill site 2P. Past experiences at sites, such as Umiat, which are located at farther distances from the coast, indicate that it is extremely unlikely that polar bears will be encountered in the area of your exploration. However, the possibility exists that polar bears may be encountered, hence, please use caution and report any polar bear sightings to this office. If any changes develop in your project during the 2009 winter season, such as flight paths, activities or location, please notify the Marine Mammals Management Office (MMM) prior to the planned operation. This would allow us to evaluate the activity and, if appropriate, amend your LOA.

In addition, this letter includes a harassment authorization (enclosed), for Anadarko and its representatives to take polar bears by harassment (deterrent activities) for the protection of both human life and polar bears while conducting activities in polar bear habitat during the 2009 Exploration Program. This authorization is issued specifically to Anadarko employees who are responsible for ensuring that trained and qualified personnel are assigned the task to harass (deter) polar bears. It is the responsibility of Anadarko personnel to report all polar bear harassment events to our MMM within 24 hours. This authorization is effective for the period, date of issuance to June 30, 2009. Intentional take is authorized under sections 101 (a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act (MMPA).

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.

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 MMM believes appropriate for the specific activity and location, as described in §18.128 of the Regulations, and (3) the MMM must determine that the incidental take for the specific activity

Mr. Fred McDougal

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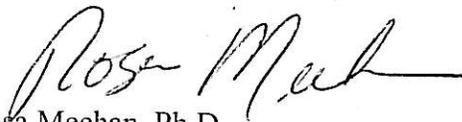
will be consistent with the negligible impact finding for the total take allowed under the Regulations.

Reasonable and prudent mitigation measures, as well as implementing terms and conditions were included for MMM 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 your company 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 MMM. This report meets the tracking and reporting requirements relative to the documentation of take as required by the MMPA and the ESA.

This authorization is issued in accordance with our regulations listed at 71 FR 43926, dated August 2, 2006. 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: Bob Britch, Northern Consulting Group
Mr. Richard Shideler, ADF&G
Fairbanks Fish and Wildlife Field Office (FFWFO)
USFWS Office of Law Enforcement (OLE)
North Slope Borough Department of Law

The undersigned hereby certifies that the above is a true and correct copy of the original as shown to the undersigned.

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ISSUED: January 20, 2009

EXPIRES: June 30, 2009

LETTER OF AUTHORIZATION (09-12)

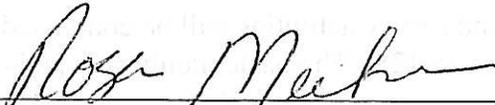
Anadarko Petroleum Corporation (Anadarko) is hereby authorized to take small numbers of polar bears incidental to activities occurring within 25 miles of the Beaufort Sea coast in support of their 2009 Exploration Program, which includes the Gubik, Chandler, and Wolf Creek prospects. These activities are discussed in detail in the, "Plan of Operations Exploration Drilling Programs, BLM NPR-A Four-year Exploration Program (Wolf Creek and Tsavorite Prospects), ASRC 2008-2009 Exploration Program (Chandler and Gubik Prospects), North Slope, Alaska."

The LOA is valid from the date of issuance to June 30, 2009. This authorization and the required conditions below include contractors of Anadarko performing Anadarko-approved work under the scope of operations to be conducted. Authorization is subject to the following conditions:

1. The Anadarko Bear-Personnel Encounter Plan, Revised November 4, 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. Anadarko 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 November 21, 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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- Anadarko 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;
 - Anadarko 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 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 Anadarko must comply with any additional measures specified.
 - Anadarko 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. Evidence of polar bears, such as tracks, carcass, or dens, will also be reported;
 - Anadarko 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;
 - Anadarko 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 June 30, 2009.



Chief, Marine Mammals Management

FEB 3 2009

Date



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1011 E. Tudor Road
Anchorage, Alaska 99503-6199



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U.S. Fish and Wildlife Service

AUTHORIZATION TO TAKE, BY HARASSMENT, POLAR BEARS (INT09-05)

ISSUED: January 15, 2009

EXPIRES: January 15, 2010

Under Sections 101 (a)(4)(A), 109(h), and 112(c) of the Marine Mammal Protection Act of 1972, as amended, Anadarko Offshore, Inc. (Anadarko) is authorized to take, by harassment, polar bears during exploration activities in association with the 2009 Exploration Program, which includes the Chandler, Gubik, and Wolf Creek prospects.

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

1. Prevent bears from associating food with humans and facilities;
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;
5. Prevent bears from entering the developed parts of the oilfield

Harassment authorization is subject to the following conditions:

1. The "Bear-Personnel Encounter Plan, Revised November 4, 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. Anadarko Operations Managers, or their designates, must be fully aware, understand, and capable of implementing the conditions of this authorization.
3. This authorization is restricted to harassment activities.

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4. 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.
5. 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. Potential responses may range from cessation or modification of work to conducting additional monitoring.
6. A final report of all encounters and hazing events must be submitted to the U.S. Fish and Wildlife Service, Marine Mammals Management Office within 60 days from the expiration date of this authorization.
7. 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, 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; move personnel to safety;
 - Ensure bear has escape route(s); and
 - Ensure communication with all personnel.
9. When conducting a harassment activity, operators must:
 - 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 projectile (avoidance conditioning);
 - Move bear in proper direction; continue with minimally necessary deterrents to receive desired result

10. 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)

11. 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.

Signed: Rosa Mack

Date: FEB 3 2009

After a brief meeting with the Board of Directors, the following action was taken:

- A motion was made and seconded to accept the minutes of the meeting held on 10/15/01.
- A motion was made and seconded to accept the report of the Finance Committee.
- A motion was made and seconded to accept the report of the Audit Committee.

The Board of Directors also discussed the proposed changes to the Bylaws and the proposed amendments to the Articles of Incorporation. The Board will continue to study these proposals and report back to the shareholders at the next meeting.

[Handwritten signature]

FILE # 2001-1015