United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

AUG 0 3 2011

Mr. Mike Brock
Environmental Team Lead
BP Exploration (Alaska), Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, Alaska 99519-6612

Dear Mr. Brock:

This responds to Diane Sanzone's request on the request by BP Exploration (Alaska), Inc. (BPXA) dated June 1, 2011, for a Letter of Authorization (LOA) to incidentally take polar bears and Pacific walruses during North Slope – wide oil and gas operations, including the Greater Prudhoe Bay, Milne Point, Badami, Endicott, and Northstar Oilfield Units. On August 3, 2011, final regulations were issued that authorize the non-lethal, incidental, unintentional take of small numbers of polar bears and Pacific walrus during year-round oil and gas industry exploration, development, and production operations in the Beaufort Sea and adjacent northern coast of Alaska. The regulations were issued for a period of five years. In accordance with these regulations, enclosed is an LOA (11-21) that allows BPXA to take small numbers of polar bears and Pacific walrus incidental to year-round oil and gas slope-wide activities, including exploration, production, operations, and restoration projects within the Greater Prudhoe Bay, Endicott, Milne Point, Northstar, and Badami units, provided annual monitoring reports are received by January 15 of each year. Activities are ongoing and expected continue through the life of the regulations.

Polar bear conservation has benefited from monitoring programs associated with the Incidental Take Program since 1993, when BPXA originally petitioned the U.S. Fish and Wildlife Service (Service) for the development of Incidental Take Regulations. One important aspect of monitoring is obtaining an understanding of polar bear denning ecology in the Beaufort Sea. This knowledge includes a better understanding of the location of dens in the nearshore and coastal areas. Polar bear managers and researchers, in cooperation with BPXA and other companies, have recently conducted numerous studies investigating different aspects of polar bear denning in the Beaufort Sea in order to better manage and conserve polar bear populations. These studies have included the assessment of natural den habitat, characteristics, and locations; assessment of industrial sound and vibration received in polar bear dens; behavior of polar bears during den emergence, as well as methods to detect denning polar bears.

Historical polar bear denning activity reveals that polar bear denning habitat occurs along creek cutbanks and river bluffs. Approximately 1,782 miles (2,870 km) of potential polar bear denning habitat is located between the Colville River and the Canning River; of that, approximately 300 miles (480 km) of potential polar bear habitat occurs within the boundaries of the above-mentioned Oilfield Units. Disturbance during denning could lead to abandonment of dens and possible mortality to cubs. Use caution when operating near these areas during the maternal denning period (late October to mid-April). The U.S. Geological Survey has posted information identifying polar bear denning habitat and GIS data available for downloading from 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

TAKE PRIDE IN AMERICA

(JPG file) are now available on the ASC website (http://alaska.usgs.gov/science/biology/polar_bears/pubs.html). Please use these resources when planning activities in potential denning areas and contact us immediately if any dens are found in the Oilfield Units during oil and gas activities. In addition, biologists with the Service are also available for consultation if questions or concerns about arise regarding polar bears and walrus during this authorization.

Per the Programmatic Biological Opinion (Tier 1 BO) for the Beaufort Sea Incidental Take Regulations for Polar Bear, Pacific Walrus, and Polar Bear Critical Habitat (July 2011), 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 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 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 MMM. 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 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 (907-786-3800).

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)
North Slope Borough Department of Law

United States Department of the Interior

FISH AND WILDLIFE SERVICE
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LETTER OF AUTHORIZATION
(11-21)

ISSUED: August 3, 2011
EXPIRES: August 3, 2016

BP Exploration (Alaska), Inc. is hereby authorized to take small numbers of polar bears and Pacific walrus incidental to year-round North Slope-wide activities, including exploration, development and production activities at the Greater Prudhoe Bay, Endicott, Milne Point, Northstar, and Badami units on the North Slope of Alaska identified within your Letter of Authorization (LOA) request (June 1, 2011). This also includes contractors of BPXA performing BPXA-approved work under the scope of operations to be conducted. The scope of operations is limited to the activities that will be conducted during the exploration, production, operations, remediation, and rehabilitation of oil and gas facilities within the boundaries of the Greater Prudhoe Bay Unit, Milne Point Unit, Badami Unit, Duck Island (Endicott) Unit, and Northstar Unit. A detailed description of these activities can be found in, "Request for Letter of Authorization for Polar Bears and Pacific Walrus for all BPXA Operated Fields on the North Slope of Alaska, Including General Descriptions of the Project Areas (Attachment I), dated June 1, 2011." In addition, it includes the travel corridors to access these sites. This authorization does not include new exploratory activities outside of these established oil field units. Activities within these fields are ongoing and are expected to continue through the end of the current incidental take regulations. This authorization is subject to the following conditions:

1. The BPXA Polar Bear Interaction Plan (Attachment II), and the Plan of Cooperation with Subsistence Users Citations (Attachment III) are approved and all provisions must be complied with unless specifically noted otherwise in this LOA. A copy of this polar bear interaction plan must be available on site for all personnel.

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

3. Intentional take is prohibited under this LOA.

TAKE PRIDE IN AMERICA

4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated June 1, 2011.

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 and Pacific walrus.

   - BPXA 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, Marine Mammals Management Office (MMM) within 12 hours of 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 BPXA must comply with any additional measures specified.

   - BPXA will provide copies of the polar bear and Pacific walrus observation forms to all BPXA contractors operating under the LOA.

   - BPXA must designate a qualified individual or individuals to report any Pacific walrus and polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings, to the MMM by phone or using the walrus or polar bear observation forms within 24 hours of visual observation.

   - BPXA 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.

   - BPXA must submit an annual monitoring report to the Service, MMM as required under 18 CFR 18.128, which will be received up to 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 ESA.

6. In the Programmatic Biological Opinion for Polar Bears, Pacific Walrus, and Polar Bear Critical Habitat on Beaufort Sea Incidental Take Regulations (Regulations) (July 2011), the Service determined the total incidental take

anticipated as a result of the issuance of the Regulations 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 the §18.124 of the Regulations, (2) the LOA includes mitigation measures appropriate for the specific activity and location, as described in §18.128 of the Regulations, and (3) that the incidental take for the specific activity will be consistent with the negligible impact finding for the total take allowed under the Regulations.

We (MMM) have determined that the proposed action meet 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 the above LOA insures that the LOA holder is also in compliance with the ESA.

7. This Letter of Authorization is valid for the period indicated on this authorization, unless extended or terminated in writing by the Service, Marine Mammals Management Office.

Rose Mark

Chief, Marine Mammals Management

AUG 03 2011

Date