United States Department of the Interior

U.S. FISH AND WILDLIFE SERVICE
1011 East Tudor Road
Anchorage, Alaska 99503-6199

IN REPLY REFER TO:
AFES/MMM

LETTER OF AUTHORIZATION
Incidental Take
(16-12)

ISSUED: August 5, 2016
EXPIRES: August 5, 2017

Ms. Julie Lina
Senior Regulatory Coordinator
Caelus Natural Resources Alaska, LLC
3700 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503

Dear Ms. Lina:

The U.S. Fish and Wildlife Service (Service) Marine Mammals Management Office (MMM) has reviewed your requests, dated December 23, 2015, and July 11, 2016, for a Letter of Authorization (LOA) for the incidental take of polar bears (*Ursus maritimus*) and Pacific walruses (*Odobenus rosmarus divergens*) during activities associated with the Nuna Development Project on the North Slope of Alaska.

In accordance with Marine Mammal Protection Act (MMPA) regulations at 50 CFR 18 subpart J (as described in 81 FR 52276, August 5, 2016), Caelus Energy Alaska, LLC (Caelus) is authorized the non-lethal, non-injurious, Level B harassment of small numbers of polar bears and Pacific walruses incidental to activities associated with the 2016 – 2017 Nuna Development Project on the North Slope of Alaska.

Project Description
Caelus proposes to continue expansion and construction of the onshore production drillsite "Nuna Drillsite I" (NDS1). The proposed 2016–2017 activities include installation of drilling support facilities on the NDS1 pad, modification of the existing Oooguruk Tie-in Pad (OTP) to provide power, injection water, gas, and communications to NDS1, and construction of new flowlines, power lines, and communication lines between NDS1 and OTP. A detailed description of the proposed activities is provided in Caelus's *Request for Letter of Authorization for the Incidental Take of Marine Mammals, Nuna Project* (December 23, 2015).

Terms and Conditions
1. All Caelus employees, contractors, and personnel performing activities for the project described above must observe and carry out all applicable terms and conditions set forth in 50 CFR 18 subpart J (as described in 81 FR 52276, August 5, 2016). Mitigation, monitoring,

and reporting requirements are described at 50 CFR § 18.128. Monitoring reports shall be submitted to the Service MMM via email at fw7_mmm_reports@fws.gov.

2. The Caelus's *Bear and Pacific Walrus Avoidance and Human Interaction Plan: North Slope, Alaska 5th Revision–July 2015* is approved and incorporated in this LOA by reference. Project activities must be conducted in accordance with this plan. A copy of the plan and this LOA must be kept on-site and available for reference by all personnel.

3. All personnel shall limit encounters with polar bears by being observant of approaching bears and by allowing bears to pass unhindered when possible. 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 necessary for self-defense or to save the life of a person in immediate danger, and such taking is reported to the Service as soon as possible and not later than 48 hours after the incident.

4. A polar bear den detection survey shall be conducted each year prior to activities occurring in polar bear denning habitat during the maternal denning period (November to mid-April). All personnel must use caution when operating near polar bear denning habitat during the denning period.

5. The Service must be notified of changes in the project, including changes to activities, locations, or methods, prior to their implementation. Such changes may invalidate this LOA unless approved in writing by the Service.

Per the *Intra-Service Biological Opinion for Issuance of 2016-2021 Beaufort Sea Incidental Take Regulations* (July 27, 2016) the Service concluded that issuing this LOA is not likely to jeopardize the continuing existence of polar bears and Pacific walruses and is not likely to adversely affect designated polar bear critical habitat. This LOA also serves as an "Incidental Take Statement," which is required by the Endangered Species Act in order for incidental take to be authorized.

Should you have any questions regarding this LOA and the required terms and conditions, please contact Christopher Putnam at (907) 786-3844 or Kimberly Klein at (907) 786-3621, or by email at christopher_putnam@fws.gov or kimberly_klein@fws.gov.

Sincerely,

C. S. Hamilton

Acting Chief, Marine Mammals Management

Email cc: 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