



# United States Department of the Interior



MINERALS MANAGEMENT SERVICE  
Alaska Outer Continental Shelf Region  
3801 Centerpoint Drive, Suite 500  
Anchorage, Alaska 99503-5823

FEB - 6 2007

Mrs. Susan Childs  
Shell Offshore Inc.  
3601 C Street, Suite 1334  
Anchorage, AK 99503

Dear Mrs. Childs:

Your application dated November 15, 2006, requests a Federal permit to conduct geophysical operations on certain Outer Continental Shelf (OCS) lands. The activity is in the Beaufort Sea area as shown on the map accompanying your application. Your application specified Veritas will be your service providing company who will conduct the subject operations using the equipment described in the permit application. Operations are proposed to begin on or after March 10, 2007, and will be completed on or before May 10, 2007. The proposed program is a 3D over-ice seismic acquisition using vibrators, impact sources, and/or small volume airguns as energy sources.

Your application states that Shell Offshore Inc. has requested an IHA from National Marine Fisheries Service (NMFS) for pinnipeds, and an IHA or LOA from US Fish and Wildlife Service (USFWS) for polar bears and walrus. MMS will require a copy of the IHA or LOA permits prior to the conduct of seismic operations.

OCS Permit 07-02 is hereby granted to conduct geophysical exploration operations on the OCS in the area and manner described in the application. A detailed track map of planned operations must be submitted to this office prior to the start of seismic operations. All operations are subject to the enclosed approved Permit for Geophysical Exploration for Mineral Resources on the OCS. In all cases, the specific mitigating measures identified in the NMFS and USFWS IHAs will apply, where applicable, including protocols for monitoring programs.

The information contained in the following paragraphs should be evaluated before initiating operations and appropriate action taken:

**TAKE PRIDE  
IN AMERICA** 

The Endangered Species Act (ESA) states there shall be no activity conducted which might jeopardize the continued existence of an endangered species or result in the destruction or adverse change of habitat of such species. In addition, the Marine Mammal Protection Act (MMPA) provides there shall be no unauthorized take of marine mammals. "Take" means to harass, hunt, capture, collect, kill, or attempt to harass, hunt, capture, collect or kill any marine mammals. Whenever marine mammals are encountered in the project vicinity, Shell Offshore Inc. and its contractors should exercise precautions to assure that activities are not in violation of the provisions of the MMPA or the ESA.

Ringed seal, bearded seal, polar bear, and arctic fox are known to inhabit the Beaufort Sea and may be present in the project vicinity during the period of operation. Walrus may be found in the western Beaufort. Ringed seal are the most common and widespread seals in the area and are usually found close to shore in the land fast ice and shear zone. They serve as a source of food for polar bear, arctic fox, and man.

Federal and State resource agencies have expressed concerns over the effects on ringed seals and their offspring by seismic operations. The concern is primarily due to the vulnerability of ringed seals and their offspring during the time of the year when whelping occurs. Pups are born in late March through April in lairs excavated in snowdrifts and pressure ridges, usually in the land fast ice zone. Pups are confined to the birth lair during the nursing period, which lasts from 4 to 6 weeks. Ringed seals are considered to be sensitive to disturbance, which could result in displacement from preferred pupping habitat or abandonment of the pup.

Further information on the identification and occurrence of marine mammals in the proposed area of operations and the provisions and penalties of the ESA and the MMPA are available. This information may be obtained from the

U.S. Fish and Wildlife Service  
Alaska Region  
1011E. Tudor Road  
Anchorage, AK 99503  
Telephone (907) 786-3467

And from the

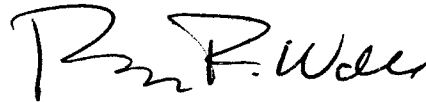
National Marine Fisheries Service  
Federal Building, Room C-554  
22 West 7<sup>th</sup> Avenue, Box 43  
Anchorage, AK 99513  
Telephone (907) 271-5006

Mrs. Susan Childs  
Shell Offshore Inc.

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This permit is effective from the date of approval until May 10th, 2007, or the completion of the survey, whichever occurs earlier. Please be advised that this office requests a weekly report of daily operations. We will require a completion report within 30 days following cessation of field operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Rance R. Wall". The signature is written in a cursive style with a large initial "R" and a distinct "W".

Rance R. Wall  
Regional Supervisor  
Resource Evaluation