


Protection of the Environment through Responsible Resource Development

Perspectives on the Endangered Species Act

Resource Development Council Annual Conference
15 November 2007

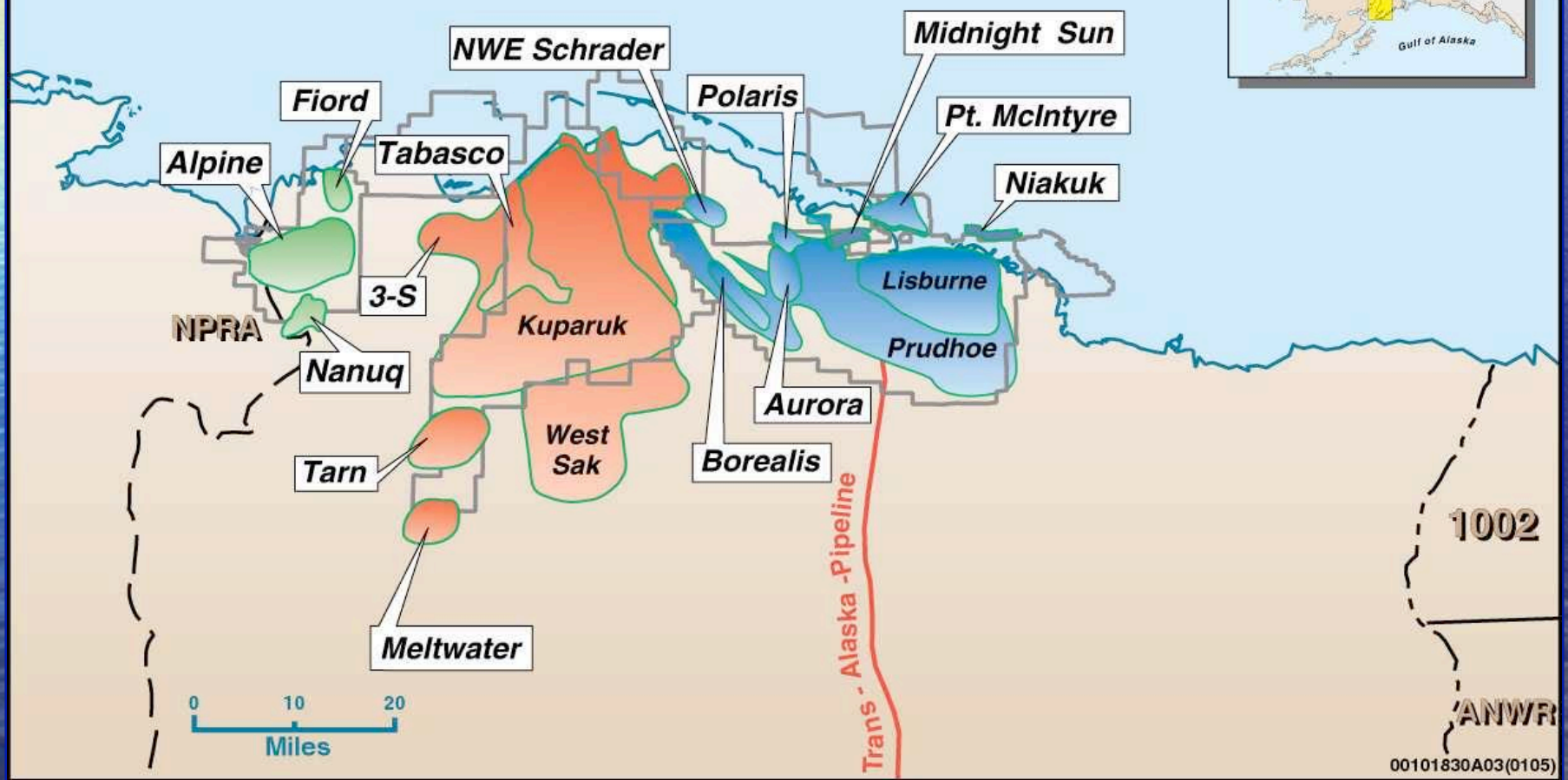
Caryn Rea
Senior Staff Biologist

Presentation Outline

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- The background image shows a gravel path leading towards a field of dead, skeletal trees. The sky is overcast and grey. The path is flanked by red wooden posts. The overall scene is desolate and suggests an environmental impact or a natural barrier.
- Overview of Current Operations
 - Environmental Studies Program
 - Recent Listing Petitions
 - Mitigation Measures for ESA-Protected Species
 - Industry Protective Measures
 - Implications of 'listing' species under ESA for Oil and Gas Operations

Overview of Current Operations

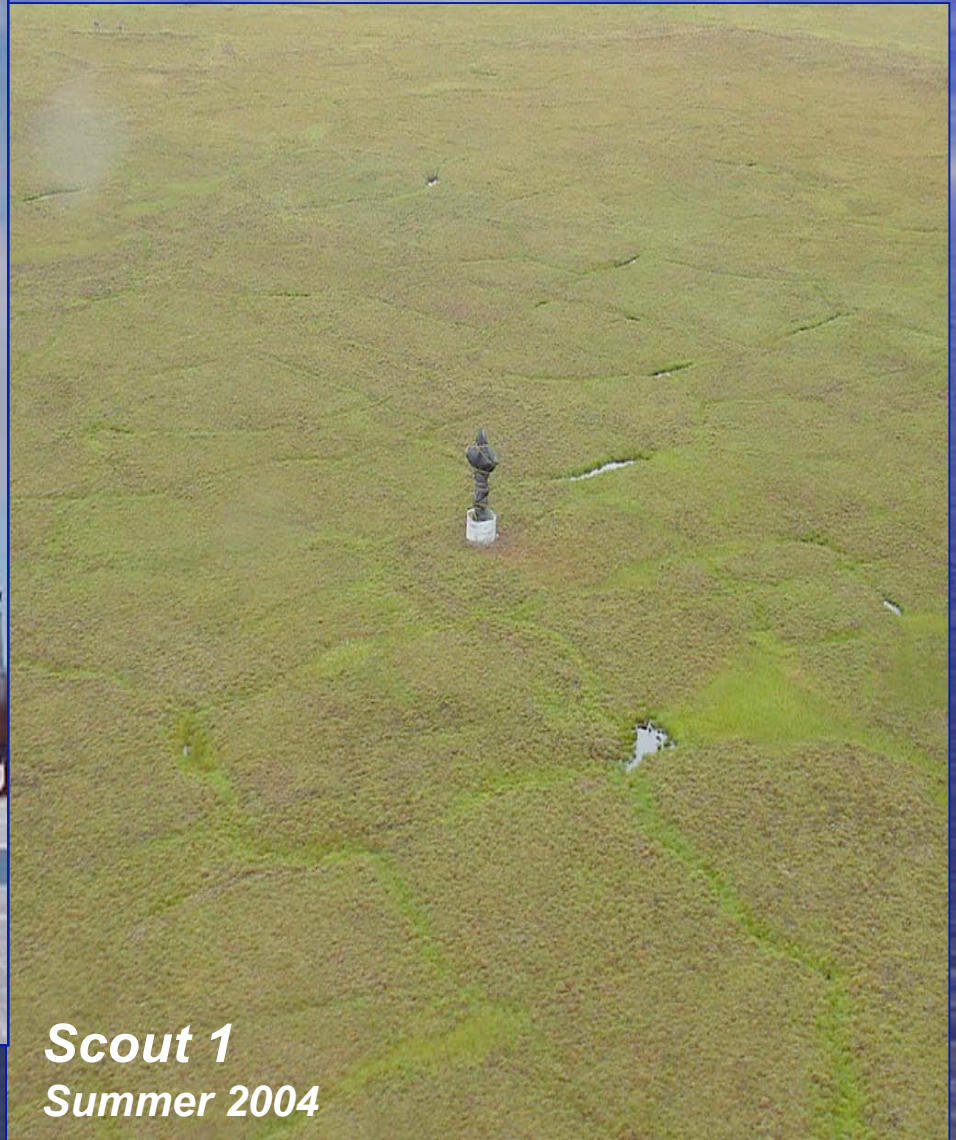
- 78% WI Western North Slope
- 55% WI Greater Kuparuk Area
- 36% WI Greater Prudhoe Area



Scout 1
Winter 2004



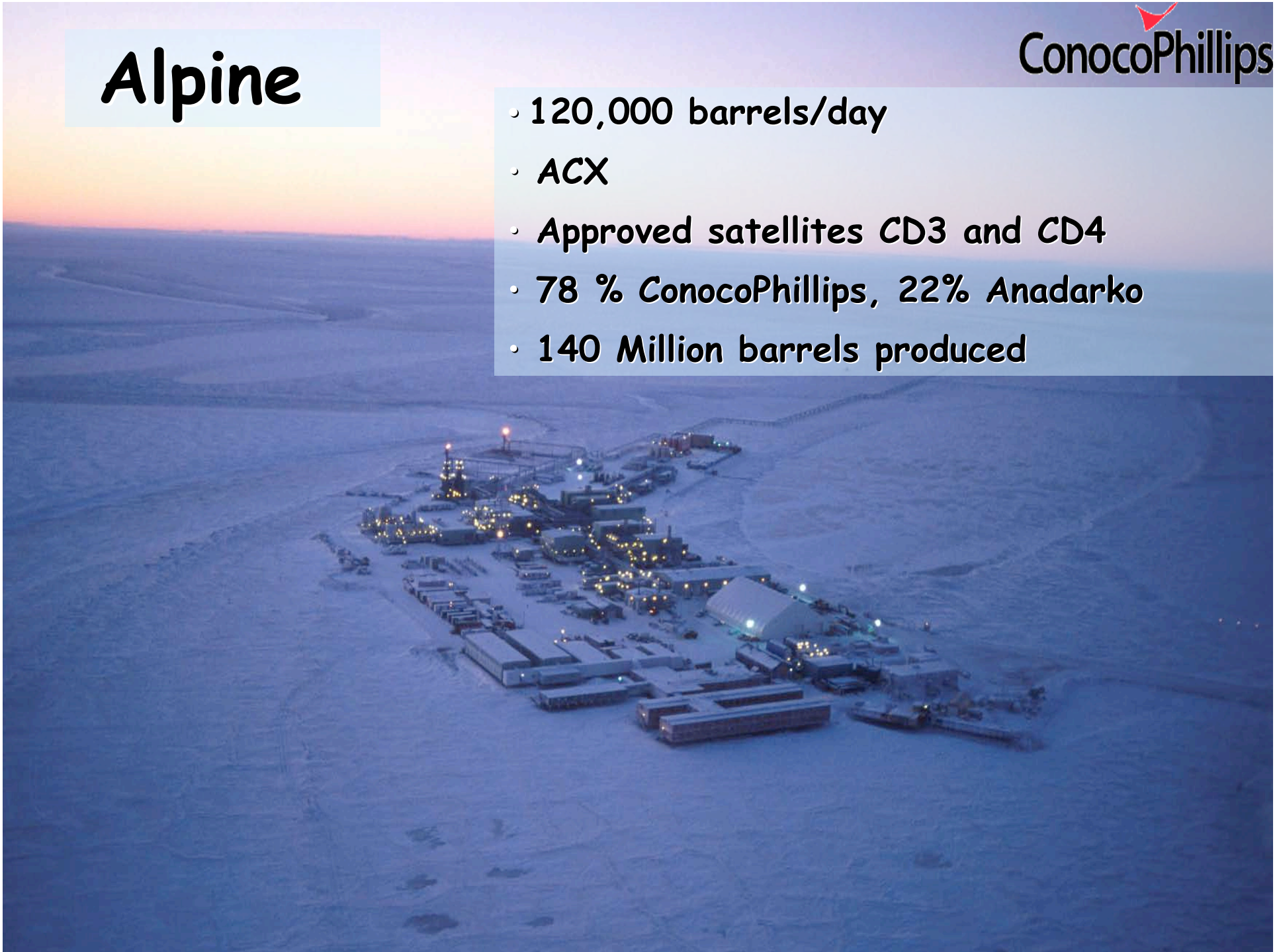
Scout 1
Summer 2004



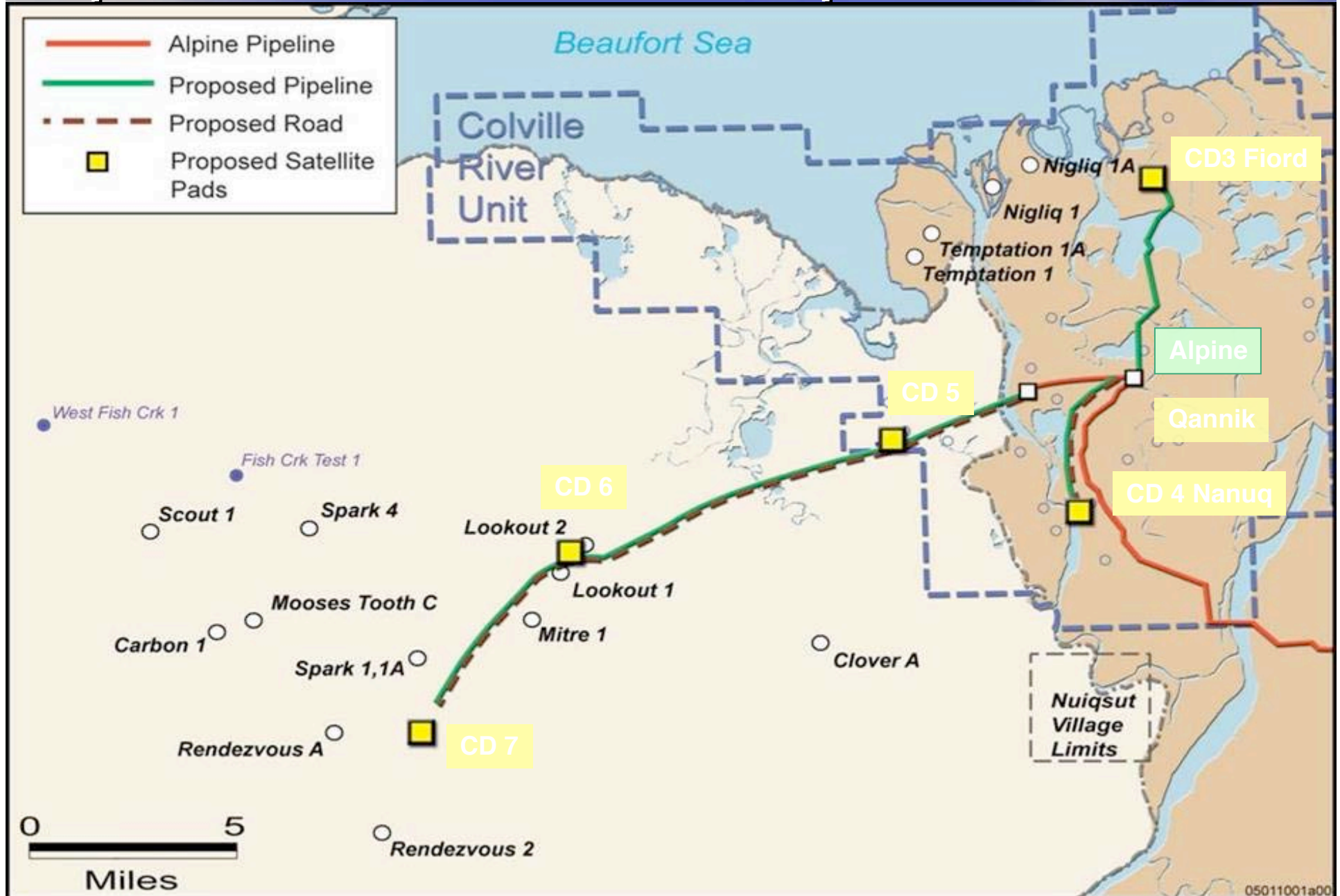
Alpine

ConocoPhillips

- 120,000 barrels/day
- ACX
- Approved satellites CD3 and CD4
- 78 % ConocoPhillips, 22% Anadarko
- 140 Million barrels produced



Alpine Satellite Development





ConocoPhillips

Environmental Studies Program



Joe Liebezeit WCS



Why Conduct Environmental Studies?



- Sensitive and biologically diverse environment
- Collect data on species of concern to locals and regulatory agencies
- Permit application support
- Incorporate environmental data into project design to minimize impacts
- Develop approaches to mitigate potential impacts
- Comply with permit stipulations and regulations
- Collaborate with other stakeholders to leverage resources

ESA Species Listed and Proposed for Listing in areas of Oil and Gas Operations

ConocoPhillips

- Steller's Eiders
- Spectacled Eiders
- Polar Bears
- Yellow-Billed Loons
- Cook Inlet Beluga Whales



Spectacled eider surveys initiated in 1992

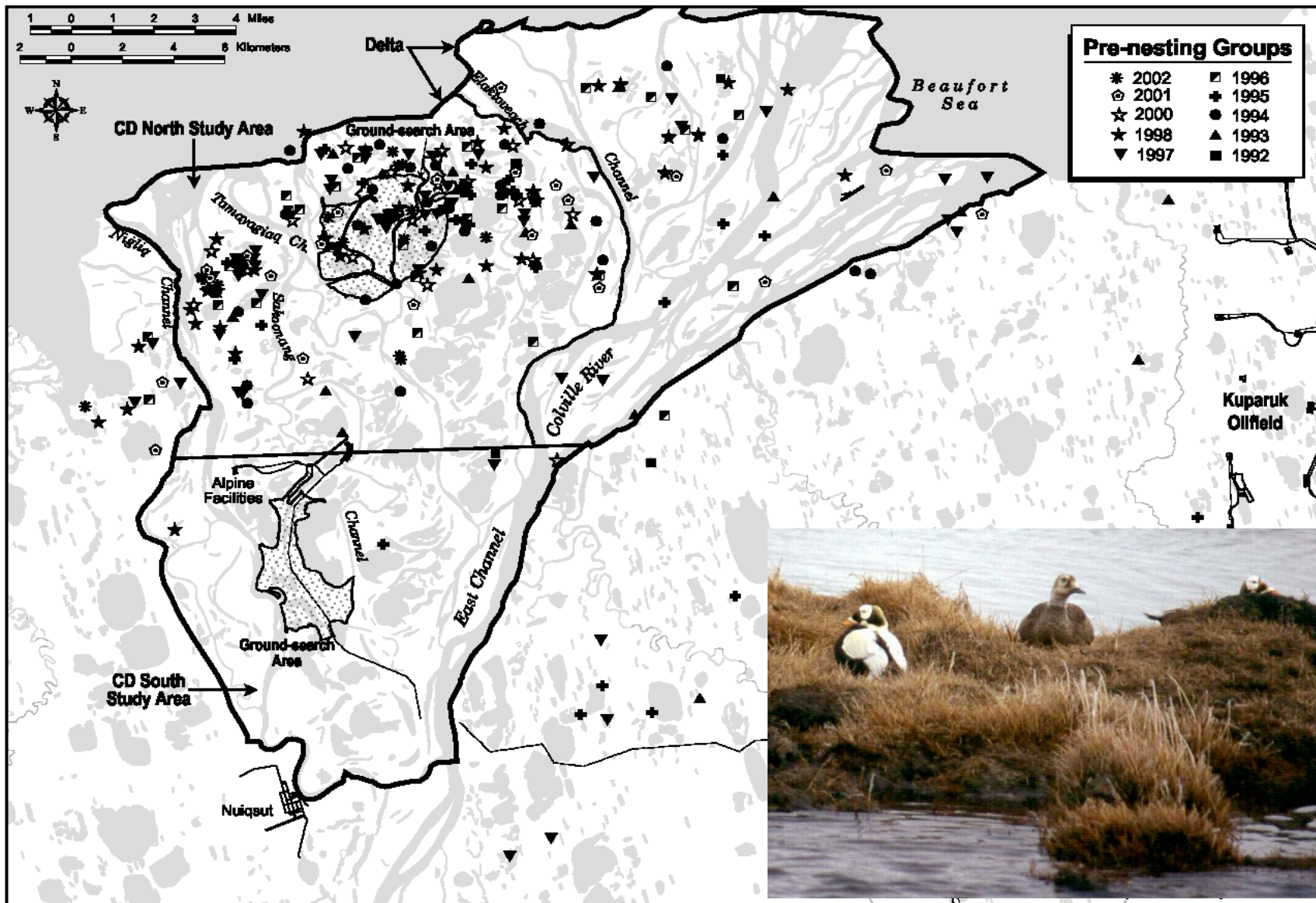
Annual pre-nesting surveys continue

New 3-yr disturbance study completed in 2006 for nesting spectacled eiders in Colville River north area

Colville River delta contains highest densities at ~ 0.13 birds/km²



Pre-nesting Spectacled Eiders 2000-2002



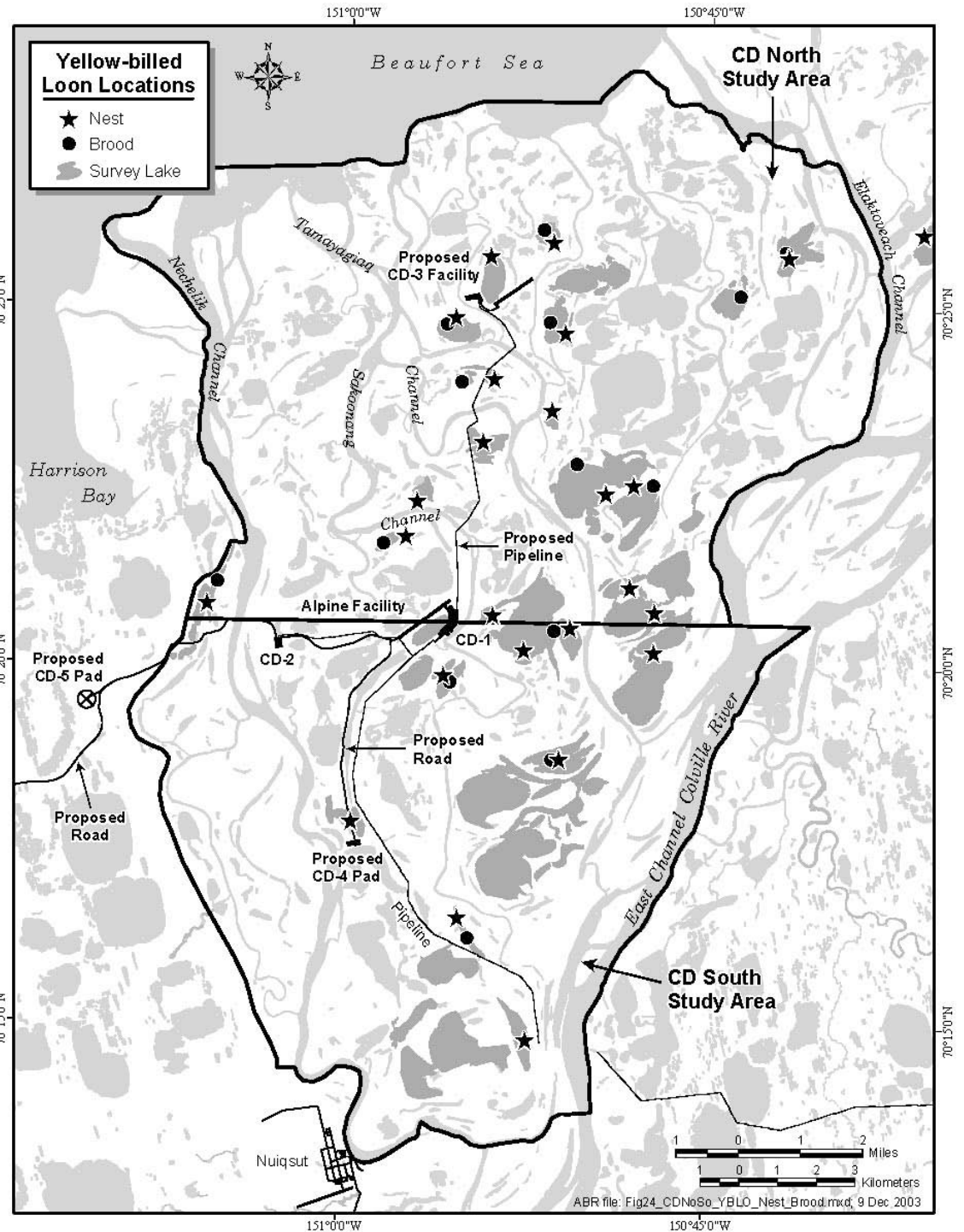
Industry Support for Polar Bear Research has been significant...



Forward-looking Infrared Sensors

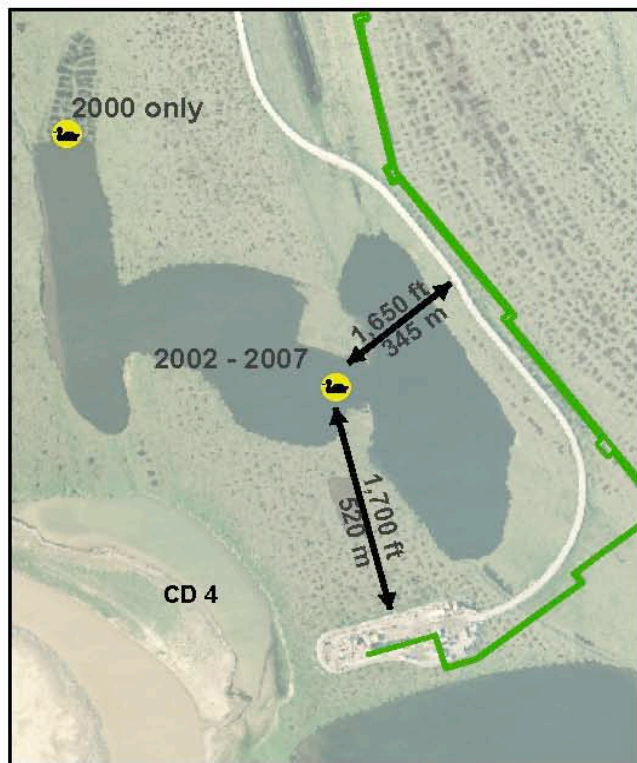


Yellow-billed Loon Nests and Broods 2003



Lake L9323

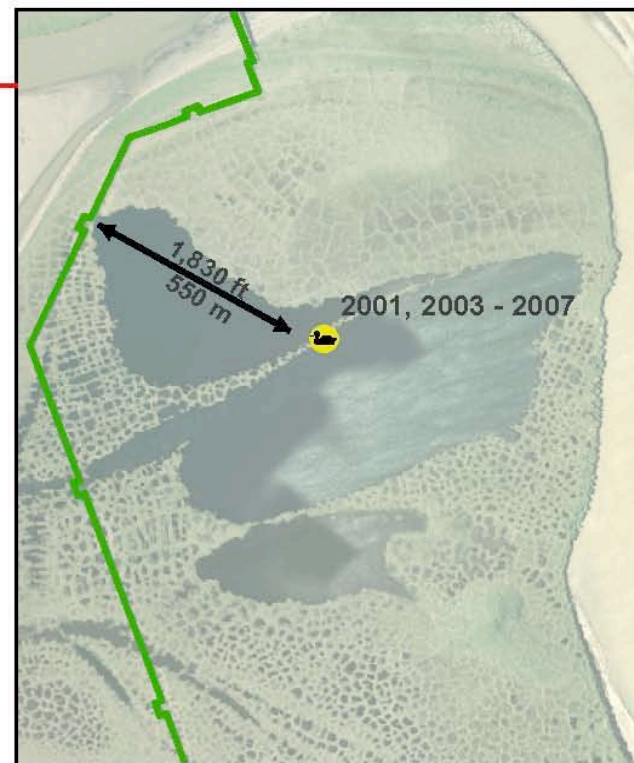
Loons return each year to build a nest less than .5 mile from CD 4 pad and road, developed in 2005. Note that the nest in the NW corner was abandoned 5 years prior to infrastructure development.



Distances are approximate

Lake M9709

Loons return each year, building a nest less than .5 mile from the pipeline, built in 2005. In 2002, a brood was spotted although no nest was seen.



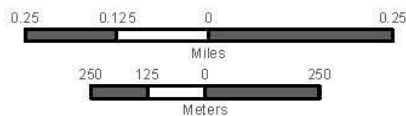
Distances are approximate



 Loon Nesting Site



Recurring Yellow-Billed Loon Nests and Distance to Infrastructure

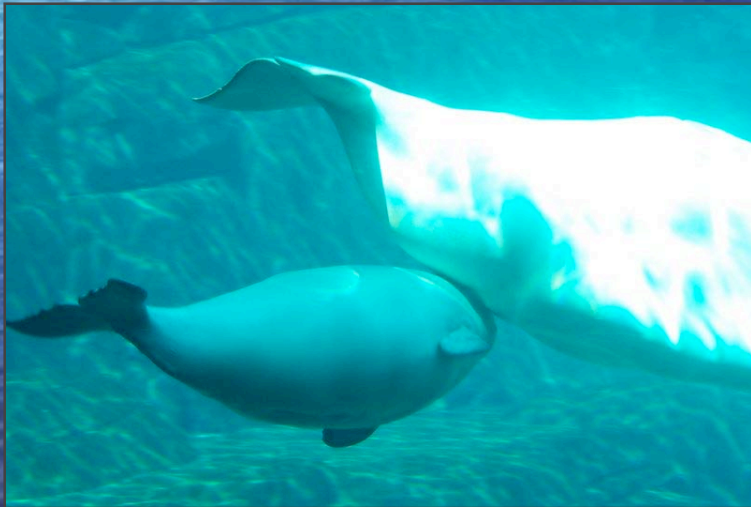


ConocoPhillips
Alaska, Inc.

Loon Data Source: ABR, Inc. Annual Survey

2 Nov 2007

Beluga Whale Photo Identification Project



Recent Petitions to List

- Polar Bears
- Yellow Billed Loons
- Cook Inlet Beluga Whales

Petition to List Polar Bears

ConocoPhillips



- Polar bears are protected under MMPA
- Polar bear populations currently healthy
- Mitigation measures in place to minimize human/bear interaction
- Available science does not support a listing
- Significant support for polar bear research by oil and gas industry
- ESA does not provide regulatory framework to regulate emissions

Petition to List Yellow-Billed Loons

- Not based on current science
- Industry science not taken into account
- Northeast NPRA SEIS ROPs and Stips include buffers that are not based on current industry science
- Use data collected around the Alpine facility to evaluate reasonableness of these mitigation measures

Petition to list Cook Inlet Beluga Whales



- Need for rigorous science
- Potential effects on industrial activities from a listing decision:
 - Critical habitat designation and potential restrictions on access to resources
- Increased risk to project permitting due to:
 - Schedule Delays
 - Unreasonable stipulations that render project(s) uneconomic
- Delays in future lease sales
- Additional restrictions attached to lease sales

Mitigation Measures for ESA-Protected Species

- Develop in consultation with regulatory agencies during Section 7 Consultation process
 - Examples of Reasonable and Prudent Measures from FWS BiOp for Alpine Satellites project
 - Develop lighting protocol to minimize outward radiation of light from structures
 - Restrict movement to gravel pad during period June 1 to August 1, unless nest surveys conducted
 - Conduct oil spill response activities outside of sensitive nesting and brood rearing periods
 - Restrict flights to and from Alpine satellite between June 20 and July 20

Industry protective measures

- Avoidance of known polar bear dens
- Trained personnel to deter polar bears from activities; all personnel trained at awareness level
- Development of FLIR technology to assist USGS biologists with locating bear dens
- Use of baseline yellow billed loon data to place facilities and infrastructure
- Use of IHAs for exploration activity in Cook Inlet
 - Monitoring Program
 - Mitigation Procedures

Implications of Listings on Oil and Gas Operations

- Increased costs and potential schedule impacts on development permitting
- Increase in mitigation and monitoring requirements
- Potential for set-asides that prohibit development
- Increased potential for litigation and lengthy schedule delays

Summary

- Environmental Stewardship is cornerstone of ConocoPhillips' business
- Investment of multiple millions of dollars in collection of research, monitoring, and baseline (pre-development) data
- Petitions to List (polar bears, yellow-billed loons, beluga whales) are not founded on current science and not warranted given mitigation measures already in place
- ESA petitions by eNGOs is increasing