Geophysical Industry Voices Concern About 2014 Barents Sea “Group Shoot”

Houston, TX – International Association of Geophysical Contractors President Chip Gill today issued the following statement on the announcement by Norwegian Oil and Gas and Statoil of a joint seismic acquisition project in the Barents Sea:

“On December 10th, Norwegian Oil and Gas and Statoil announced a group of 17 oil and gas companies have established a project for joint seismic acquisition in the southeastern Barents Sea. This group will jointly acquire seismic data covering the blocks that will be announced in the 23rd licensing round for the Norwegian continental shelf in 2014.

The geophysical industry applauds any efforts to minimize conflicts with fishing interests that might arise when seismic data is acquired in advance of the planned 23rd licensing round in 2014. Our industry is committed to sustainable acquisition operations and meets regularly with stakeholders in an effort to address their concerns and minimize conflicts. However, the geophysical industry is concerned that this group project will undermine the multi-client business model that has benefited both the E&P companies and the Norwegian government.

In exploration permits granted to IAGC members for acquisition of seismic within Barents Sea South East in 2014, it is stated that priority will be given to seismic surveys which the Authorities deem necessary for the 23rd round and other surveys may be stopped or forced to be postponed. This statement marks a significant change to the permit system in Norway and significantly impacts an already self-regulating and fully functional market.

Modern seismic data is critical to the exploration, development and production (E&P) of oil and gas, and is critical to reducing risks in E&P operations. Multi-client data, which is acquired by geophysical companies at their risk and expense and licensed to oil and gas companies, has played an important role in the successful development of the oil and gas Industry in Norway. It has supported the technological development of seismic acquisition in general as well as encouraged exploration of frontier areas with enhanced data coverage at minimal risk to each individual oil and gas Company.
Over the last 20 years the business model under which multi-client data is acquired has facilitated the acquisition of most of the modern, high-quality seismic data available to oil and gas companies on the Norwegian continental shelf.

The multi-client model facilitates innovation, competition and a market-based approach to collecting seismic. This promotes efficiency by ensuring that coverage of large areas is done in a manner where the most prospective areas receive more attention than less prospective areas.

The model further ensures that areas with a need for or which would benefit from particular technologies or acquisition parameters receives special attention. Different oil companies or geophysical companies may also have differing views on these matters which may again lead to a wider understanding of the subsurface in a new and challenging area.

The geophysical industry is concerned that a large co-operation between oil companies based on one plan for all is restrictive to competition between oil companies and between geophysical companies.

There is currently no mechanism in this proposal for Geophysical Contractors to continue to invest in the successful exploration and development in this frontier region. Recent discoveries such as Skrugard and Havis have relied on a rich diversity of multi-client data sets incorporating the latest technologies, knowledge, understanding and commercial investment by geophysical contractors. We feel it is important that this successful model is allowed to continue in this newly opened area.

IAGC members look forward to future discussions concerning any process about seismic surveys in the Barents Sea southeast with the Ministry of Petroleum and Energy (MPE), Norwegian Petroleum Directorate (NPD), fisheries interests, Norwegian Oil and Gas and other stakeholders. We also call upon them to further evaluate this restrictive model and its impact on the geophysical industry for future use in promoting oil and gas exploration on the Norwegian continental shelf."

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**About IAGC**

IAGC is the international trade association representing the industry that provides geophysical services (geophysical data acquisition, seismic data ownership and licensing, geophysical data processing and interpretation, and associated service and product providers) to the oil and gas industry.

More information on IAGC and the geophysical industry can be found at [http://www.iagc.org](http://www.iagc.org) and [http://geophysicsrocks.com](http://geophysicsrocks.com)

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