

Statement of Principles

Marine Mammal Protection



Revision Date: April 2014

Date first issued: 2003

This document includes the Statement of Principles, a description of the issues (with examples) and contractual language.

Key Words:

- Client
- Contract
- Contractor
- IAGC
- Marine Mammals
- Tender
- Seismic Operations
- Standby Rate
- Third Party(ies)

Terms that are in bold type are defined in the Glossary of Terms which forms part of this family of Statements of Principles.

Statement of Principles

Seismic **Contractors** should meet all **Marine Mammal** protection requirements as specified by government agencies responsible for offshore concessions.

The **Client** will be responsible for making sure the selected **Contractor** is aware and equipped to meet local **Marine Mammal** protection regulations. This information should be provided during the **Tender** process.

Whatever additional hardware, software, and/or personnel are required to meet these requirements shall be identified during **Contract** negotiations as additional costs to be borne by the **Client**.

Any additional operation time attributable to the **Contractor's** compliance with **Marine Mammal** protection requirements (i.e. soft starts, shut down periods, or area restrictions) should be chargeable to the **Client** at full production rate.

In the event that performance of work is delayed or prevented by compliance with relevant local **Marine Mammal** mitigation regulations, the **Contractor** should be entitled to request for suspension of the work and be remunerated at the **Standby Rate** provided. Should such suspension period exceed a contractually agreed time period, the **Contractor's** vessel should be authorized to leave the work site without any liability to the **Client** in order to perform its other commitments towards other **Clients**. Upon vessel departure, the **Client** or **Contractor** should be allowed to terminate the **Contract** without any right of recourse of **Client** against **Contractor**, or both parties should mutually agree on a remobilisation time.

IAGC Contacts:
1225 North Loop West
#220 Houston, TX,
77008 USA
P. +1 713 957 8080
iagc@iagc.org
www.iagc.org

Commercial Context

During the last decade there has been a growing public concern about the impact of man-made acoustic emissions on the health and behavior of **Marine Mammals**. There are several sources for these emissions ranging from general shipping, fishing operations, naval active sonar systems, scientific investigations using sound in the oceans, and hydrocarbon exploration and production (E&P) activities.

Of all the E&P activities, the acoustic sources used in marine **Seismic Operations** have become the main target for scrutiny and regulation by national and international regulating bodies. Therefore, the marine seismic **Contractors** are on the front line in having to conform to restrictions and regulations dealing with **Marine Mammal** protection. Since compliance with the various restrictions and regulations have a direct financial impact on the viability of the industry's economic health it is important for the **IAGC** to provide context for what additional costs will be required for **Marine Mammal** protection and how those costs will be equitably incorporated into **Contract** negotiations.

In 1996 seismic **Contractors** undertaking **Seismic Operations** within the United Kingdom Continental Shelf (UKCS) agreed to operate under a set of guidelines for marine mammal protection measures drafted by the Joint Nature Conservation Committee (JNCC). Among other things, these guidelines required each survey to have JNCC approved **Marine Mammal** Observers (MMO) on board each vessel and the implementation of a "soft start" or ramp-up procedure prior to the full activation of the survey seismic source. In some, if not most, instances the MMO requirements result in **Third Party** observers being used in lieu of existing members of the seismic survey vessel crew. In addition source "soft start" procedures require additional operational time at the start of each survey line or whenever the seismic source is activated after being shut down. The additional financial expense for each of these endeavors has to be accounted for in the overall survey costs.

Lately, the degree of restrictions and mitigation guidelines in some parts of the world have become much more severe and expensive compared to the JNCC recommendations. For instance, Australia has a set of mitigation guidelines ranging from visual survey and "soft start" procedures to requirements for aerial surveys and standoff vessels. The restrictions are progressively enforced depending on the mammal species and inferred behavioral activities (i.e. feeding, breeding, resting, migrating, etc.).

In the USA, the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement, the government agencies-tasked with regulating offshore E&P activities, has adopted mitigations under an NTL and is undertaking a complete revision of the G&G permitting scheme for the Gulf of Mexico, with an emphasis on **Marine Mammal** protection. We are already experiencing the consequential additional costs required to conduct **Seismic Operations**.

Recent Examples:

Sakhalin 2001

In an effort to minimise the environmental impact of a seismic survey, a 5 kilometer safety buffer relating to the proximity of observed Grey Whales to the seismic vessel was imposed. The survey area was further divided into two zones with differing restrictions regarding visibility and times of the day in which it was permissible to shoot. As a result, production time was severely limited and the size of the survey finally acquired was reduced.

This Statement of Principles is offered by IAGC as a discussion and educational tool for the industry. Any industry participant is free to use this statement in any way it wishes.

Gulf of Mexico 2012

Following the Deepwater Horizon incident, new mitigation regulations have been implemented as part of the Seismic Operations permitting process in the United States Gulf of Mexico. These mitigations including controls on sound sources, a 30 or 40 kilometer buffer between concurrent **Seismic Operations** and seasonal limitations on shooting in **Marine Mammal** potential breeding grounds.

Contractual Language

See language examples under Standby Rates.