

**011 – NORWEGIAN OIL AND GAS
RECOMMENDED GUIDELINES**

FOR

**APPROVAL OF 3RD PARTY
GEOPHYSICAL DATA ACQUISITION ON
LICENSED ACREAGE**



Original version

Norwegian Oil and Gas Association recommended Guidelines for Approval of 3rd Party Geophysical Data Acquisition on Licensed Acreage

No.: 011 Established: 16.02.1989 Revision no: 3 Date revised: 19.12.18 Page: 2

Preface

These guidelines are recommended by the Norwegian Oil and Gas Association's Exploration Managers Forum. Further it has been approved by Norwegian Oil and Gas' General Director.

The guidelines have been prepared by the Norwegian Oil and Gas administration in close cooperation with the Norwegian Oil and Gas Exploration Managers Forum and after consultation of the Norwegian Oil and Gas Legal Committee. The Norwegian Oil and Gas administration has further consulted the industry through the Norwegian Oil and Gas Exploration Managers Forum, the Norwegian Oil Company Scout Group (NOSG) and Norwegian Oil and Gas Geodata Trading. The Norwegian branch of the International Association of Geophysical Companies (IAGC) has been invited to comment on the proposal.

These Norwegian Oil and Gas' guidelines have thus been prepared with a broad participation of relevant parties in the Norwegian petroleum industry. They are owned by the Norwegian petroleum industry, represented by Norwegian Oil and Gas. Norwegian Oil and Gas is responsible for administration of these guidelines.

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Appendix A - Model Contract

1. Purpose

The need for a revision was highlighted by NOSG in a proposal to the Norwegian Oil and Gas Licensing Policy Committee. The background is a much more complicated mixture of companies on the Norwegian shelf than before. It is also based on the fact that there is a significantly higher number of active Production Licenses, followed by higher activity levels within geophysical data acquisition and within trades and sales of data. These factors have made it necessary to clarify certain aspects connected to acquisition of geophysical data across licensed acreage. This is then followed by a need for a clarification of certain contractual elements between the Production Licence and the acquiring Party, in the form of Norwegian Oil and Gas Model Contract.

2. Guideline revision

There has been a general re-wording and modernization of the guideline text. It has also been brought in line with the updated lay-out of Norwegian Oil and Gas' Guidelines. The main revisions of content comprise;

- An updated specification of the content in a survey request to the Operator,
- A guideline to the PL Management Committee to select an approval procedure for survey requests,
- An updated specification of the required information from the Operator to the Partners,
- A general recommendation on acquisition priority and good acquisition practice in order to avoid time sharing conflicts.

A minor addition to Section 3.5 of the guideline text was made in July 2011 in order to clarify Norwegian Oil and Gas' interpretation of the term "costs and claims" which is used in the Model Contract Section 2.

3. Norwegian Oil and Gas' guideline for approval of 3rd party geophysical data acquisition on licensed acreage

3.1 Content in the survey request

When a Survey Company (geophysical contractor or oil company) is planning to acquire geophysical data over licensed acreage, a request for permission shall be submitted to the Operator of the Production License (PL) (or Operator of a Business Arrangement Area (BAA) if applicable). The term geophysical data shall in the context of this guideline mean geophysical sub-surface data. The request should include, as a minimum:

- Map showing the part of the survey program that falls within the respective License and referenced with block boundaries and with all fixed installations shown.
- Specification of the survey coordinates of the lines crossing the License.
- Distance of closest pass relative to surface obstructions/installations, if applicable
- Timing of survey.
- The name and identity of the acquiring vessel.
- Any other information relevant to the request.

3.2 Information about acquisition start-up

The Survey Company shall inform the Operator about start of acquisition as soon as possible after the survey has been confirmed and as a general rule at least three weeks in advance.

3.3 Approval procedure for survey requests

The Management Committee (MC) in each PL agrees on one of the following options regarding the handling of requests to acquire 3rd party (non-exclusive, other PL or oil company) geophysical data within the PL's acreage. The Operator will act accordingly until the MC decides otherwise. Option I is recommended.

- I. The Operator handles the request on behalf of the PL.
- II. The Operator handles the request on behalf of the PL, subject to the support in the PL (positive or negative) in accordance with the voting rules in the PL.

3.4 Information to License partners

In either case, upon receipt of a request for permission to acquire 3rd party data the Operator is required to:

Inform Partners on License2Share about the request and as a minimum the following information.

- A survey map and planned timing of acquisition.
- The deadline of the Survey Company's request.
- The Operator's recommendation.

Subject to option II) above, seek the Partners approval of the Operator's recommendation. Unless otherwise stated, nil response by a Partner within 10 working days will be regarded as approval.

Partners should decline to give permission only under special circumstances. Examples of such include conflict with operations activities and special circumstances where NPD/MPE has granted permission to preserve confidential information.

3.5 Contract

Upon completion of paragraph 3.4 enter into Norwegian Oil and Gas standard agreement "Permission to acquire geophysical data" (Appendix A) with requesting party.

The "costs and claims" regulated in section 2 of the standard agreement should not include compensation for consequential damage.

4. General recommendation on acquisition priority and time sharing related to seismic acquisition

The Survey Company and the Operator have a joint obligation to minimize seismic signal interference with other contiguous or overlapping seismic acquisition. Operational cooperation between seismic vessels in order to minimize such interference is encouraged. Seismic acquisition by PLs is often time-critical due to deadlines in the PL's mandatory work programs or due to other commercial factors. In general, the Operator's field operations activities, field related seismic acquisition and seismic acquired as part of the mandatory work program should have priority. However, as a rule-of-thumb seismic acquisition as described above, by contiguous PLs should have equal rights to "quiet water" even when entering other PLs' acreage and amicable and practical solutions should be found. All seismic acquisition mentioned above should have priority over multi-client or speculative seismic, although amicable operational cooperation and practical solutions to time sharing between surveys should be sought also here.

Appendix A - Model Contract

Permission to acquire geophysical data

_____ acting as operator on behalf of the licensees of Production License _____ (hereinafter referred to as the Operator),

hereby grants

_____ (hereinafter referred to as the Survey Company)

permission to record geophysical data pertaining to the planned _____ survey over the such area as set out in the enclosed survey map which is within the following Production License (PL)/Business Arrangement Area (BAA): PL/BAA _____ (Block _____) (hereinafter referred to as the Operation).

This permission is subject to the following conditions:

1. Survey Company shall comply with all governing rules and regulations as apply to the conduct of marine geophysical data acquisition on the Norwegian Continental Shelf. Survey Company shall indemnify and hold harmless the Operator, its licensees, and their affiliated companies from any and all costs and claims, including but not limited to legal expenses, resulting from Survey Company's failure to comply with the above in relation to the Operation.
2. Survey Company shall indemnify and hold harmless the Operator, its licensees, and their affiliated companies to the extent involved in the Operation from any and all costs and claims, including but not limited to legal expenses, resulting from the Operation and arising from the following circumstances:
 - a) Personal injury or illness to or death of the Operator's and/or its licensees', and their affiliated companies to the extent involved in the Operation, employees, and loss of or damage to the property and/or equipment of any of the above.
 - b) Personal injury or illness to or death of Survey Company's and its subcontractors, and their affiliated companies to the extent involved in the Operation, employees, and loss of or damage to the property and equipment of any of the above;
 - c) Personal injury or illness to or death or property loss or damage suffered by any other third party; and

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- d) Any pollution from the vessel used for the Operation.
3. Survey Company shall have liability insurance approved by Operator for liability under section 2.
 4. Survey Company may license the data acquired under the Operation to third parties.
 5. Operator and its licensees will have the rights to purchase the data acquired under the Operation at any time at early participant price for non-exclusive data, or to receive courtesy data free of charge for other PL or Oil Company data. These rights shall only apply within Operator license. Courtesy data should consist of the interpretable product used by the PL or Oil Company following full processing, and should be delivered within two (2) months after finalization of processing. For the following specific geophysical data categories, these are the data types that shall be delivered as courtesy data:
 - Seismic acquisition: Migrated full angle/offset stack
 - Electromagnetic acquisition (EM): Inverted resistivity cubes, both vertical and horizontal
 - Cone penetration testing (CPT): Raw CPT data or interpretation report
 6. Survey Company shall forward the acquired data to the Norwegian Petroleum Directorate as required by governmental regulations.
 7. Survey Company will agree with the Operator the time and duration for conducting the Operation. Survey Company agrees that at all times shall Operator's field operations, field related geophysical data acquisition and geophysical data acquired as part of the PL's mandatory work program take precedence and that Survey Company shall upon Operator's instructions divert its operations if conflict may occur with such operations. Survey Company shall notify the Operator's personnel on the Production License installations or any vessel contracted by the Operator about its vessel's arrival immediately prior to arrival in the area.
 8. Operator shall provide response to the Survey Company's request for time and duration of the survey within fifteen (15) working-days after receipt of all data listed in the Norwegian Oil and Gas' guidelines for approval of 3rd party geophysical data acquisition on licensed acreage.
 9. An updated survey map shall be provided when the Operation is completed.
 10. The following special conditions apply [could include both legal and technical conditions, to be modified in each case]:

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11. This permission is governed by Norwegian law and the parties accept Stavanger District Court as legal venue for any disputes arising in relation to this permission.

Agreed:

Date: _____

Date: _____

Sign: _____

Sign: _____

Operator

Survey Company