

Guideline for the Ethical Use of Geophysical Data

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Summary

In response to industry feedback, the Practice Standards Committee of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA) established a subcommittee 3 years ago to create a set of guidelines for professional members regarding the ethical use of geophysical data. The committee has prepared a document that hopes to clarify the responsibilities of professional members when dealing with various ownership classifications of geophysical data. The most difficult issues often centre on what parties can or can not do with licensed geophysical data.

While it is not APEGGA's intention to specify the rights of data owners or licensees, or to prescribe the terms of business arrangements controlling access to or use of the data, it does want to be clear about the professional responsibilities that APEGGA members have when dealing with such issues. This guideline addresses professional members' responsibilities related to the ethical aspects of using geophysical data. It deals with various classifications of data including proprietary, partnered, licensed and public domain data. Although the guideline primarily addresses data used in the oil and gas industry, it is intended to apply to geophysical data used in other industries as well. The guideline also suggests practices to avoid situations that could lead to improper use of such data.

Introduction

Geophysical data is intrinsic to the discovery of resources in the oil and gas industry. The data is considered to be an investment and a valuable asset belonging to its owner. To realize the full potential of the data, owners may choose to make the data available to others under certain terms and conditions that are spelled out in written agreements or licenses. Complex business arrangements such as farm-ins, joint ventures, mergers, divestitures, acquisitions, formation of income trusts, etc. are common in the industry. These transactions can lead to uncertainty regarding the allowable use of geophysical data. This is particularly true where licenses and contracts are not clear, or do not address, such transactions. APEGGA members who fail to consider, or who disregard, the rights and obligations of data owners or licensees, could place themselves in a position where their actions might constitute unprofessional conduct or could result in legal liability.

The Guideline

The rights and obligations of parties with respect to geophysical data are dependent on the ownership classification of the data. The guideline discusses in detail the various classifications of data ownership. Descriptions of proprietary data, partnered proprietary data, and licensed data are first detailed in the guideline. As licensed data is the most problematic category of data, it is further discussed as non-exclusive, multi-client, trade or speculative survey data and oil and gas company licensed data. Public domain data is described as yet another category with a section devoted to orphaned data or data of unconfirmed origin.

While there is some general industry consensus about the appropriate use of licensed data, the guideline offers a summary of some normally accepted rights and restrictions that most licenses allow. It also offers a summary of what most licenses prohibit. Inevitably, situations arise where the written agreements are unclear. If a license is silent with respect to a specific right, the professional member should not assume that such a right and/or privilege is granted under that license

Results

The practices suggested in the guideline are general, based on certain assumptions. Actual agreements addressing the use of geophysical data may contain restrictions. Geophysical data is considered by industry as being confidential information used for competitive advantage in addition to being an asset which is bought and sold. Both concepts must be considered to protect the data on behalf of the interests of all stakeholders. The concepts associated with Copyright Laws and the Law of Confidential Information must be considered when dealing with geophysical data.

Recommended practices are offered for various business scenarios such as physical data rooms, virtual data rooms, data review options, farm-outs and property dispositions. Of particular importance, the differences between reviewing a pre-existing data interpretation and conducting a data interpretation are discussed in detail with respect to third party licensed data. Data back-up of evaluation data used to showcase an investment opportunity is also discussed in terms of recommended practices.

Conclusions

The document offers some scenarios to illustrate the concepts and recommendations presented in this guideline in order to bring the recommended practices to life. These are discussed in detail within a business-like practical scenario. It must always be remembered that actual allowable use of geophysical data may be further governed by agreements such as Joint Operating Agreements, Confidentiality Agreements and Area of Mutual Interest Agreements.

Acknowledgements

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References

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