

How To Set Up a Dataroom

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Datarooms are often staged when a company is going through a sale process or a divestiture of assets or properties. Confidentiality Agreements (CAs) are often put in place to guard against wrongful use of data, information or knowledge derived from the sharing of materials within the dataroom. The entities staging a dataroom are typically internal land departments, third party property divestiture houses, third party consulting or software houses, and investment houses.

Geophysical data is an asset which is bought and sold within the oil and gas industry. As such, the original acquirers of the data possess “trading rights” derived from its ownership status that acts much like a copyright of a book. In addition, geophysical data can be considered as a competitive asset much like secret information. When dealing with seismic data, both aspects must be considered. Some third party seismic data licensing agreements can be quite liberal and at the same time quite restrictive regarding how a specific data set can be shared in a dataroom setting. Partnered data can also be governed by other industry documents such as a CA, an Area of Mutual Interest (AMI) or a Joint Operating Agreement (JOA). Records management is an essential precursor to knowing what may impact or impede a desire to show geophysical data.

Some key questions to ask prior to setting up a dataroom will be discussed in this paper such as:

What data ownership classes are involved in describing the asset to be sold?

What third party agreements (AMIs, JOAs) may restrict disclosure?

What third party seismic licensing agreements may restrict disclosure?

What do these documents say?

With respect to geophysical data, what activity will be permitted in the dataroom, an interpretation or a review?

Will the visiting party be left alone with a workstation in the room or will someone be driving the workstation for them?

How is “direct control” to be maintained?

The answers to these and other associated questions highly impacts how a dataroom should be set up if geophysical data is involved. Virtual datarooms offer an added complexity when dealing with geophysical data as images can be copied and downloaded with ease. This paper offers a generic dataroom format or methodology for the sharing of geophysical data, from which variations due to specific circumstances can be accommodated.