



Natural Resources Canada  
580 Booth Street,  
Ottawa, ON K1A 0E4,  
Canada

May 2, 2016

Attention: Cheryl McNeil, FORRI Project Manager

**Re: Comments on Proposed Policy Intentions for Phase 1 of the Framework Regulations**

Dear Mrs. McNeil:

Multiklient Invest AS and its affiliates (“MKI”) write at this time to provide comments on the Proposed Policy Intentions for Phase 1 of the Framework Regulations following the stakeholder consultation session that was held on March 31, 2016.

MKI has held a number of authorizations from the C-NLOPB in each year since 2011, all relating to the performance of seismic work offshore of Newfoundland and Labrador. This work relates primarily or exclusively to acquiring and licensing geophysical data.

MKI supports modernizing the regulations for oil and gas development offshore Canada and understands the intent is to integrate geophysical regulations with production and drilling regulations under the new Framework Regulation.

However, MKI would like to point out that geophysical activity is not similar to drilling and production in terms of risk, investment, or reward and therefore consideration should be given to regulating it separately. MKI is not aware of any other country or jurisdiction that combines geophysical regulations with drilling and production. It should be remembered that towed streamer marine seismic has no interaction with the seabed floor, no intent to extract or handle petroleum products with no more risk of uncontrolled release of petroleum products than fishing.

MKI understands that the Board’s discretion to manage and control oil and gas activities will not change with streamlining the regulations. However, MKI’s experience is that due to the risks associated with drilling for, transporting, and storing raw petroleum products, the Board is motivated to be very conservative in applying discretionary regulations. For geophysical activities, which as noted, have similar risk to fishing, this approach results in the interpretation of regulations that do not always align with the original policy intent. Failing to apply these regulations in line with their intent (i.e., to mitigate actual risk in the geophysical industry) results in overly burdensome restrictions on seismic contractors that are not commercially feasible, do not serve the purpose of the regulations, and result in wasted resources. With a healthy global market for seismic activity, these restrictions may prove too costly for contractors who may choose to invest under less onerous regulatory regimes.



MKI trusts that these foregoing comments will be of some assistance. If FORRI wishes to request any further information from MKI, or there is anything else we can do to assist, please do not hesitate to contact the undersigned.

Best regards,

A handwritten signature in black ink, appearing to be "Jerry Witney", written over a light grey circular watermark.

**Jerry Witney**  
**Vice President, MultiClient**  
**North America**

Cc: Fred Allen, Newfoundland & Labrador  
Kim Himmelman, Nova Scotia