

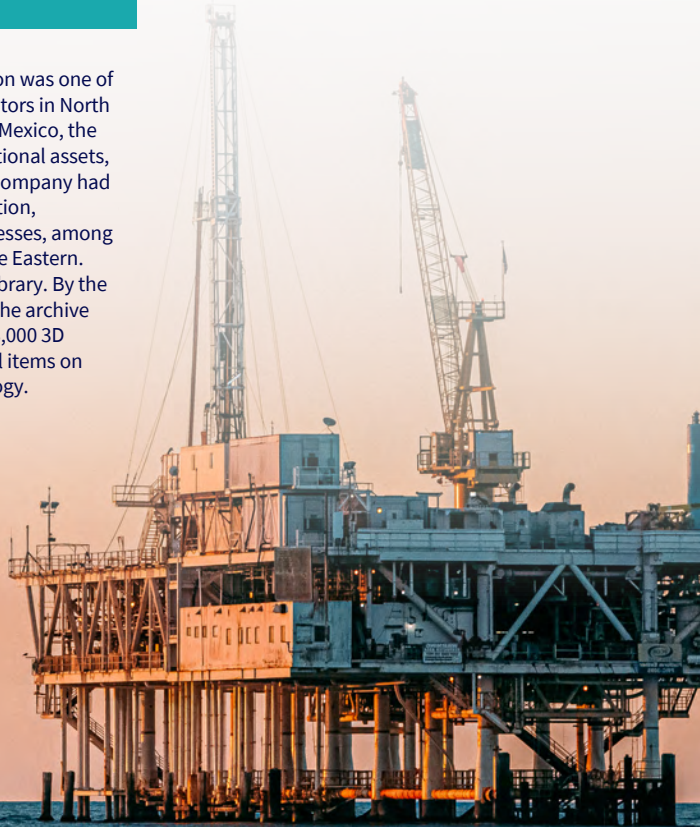
Seismic data -

Where acquisitions hide financial risk and data governance brings assurance

Ovation Data
helps Anadarko
Petroleum bring
decades of acquired
seismic data under
legal control

> Background

By 2010, Anadarko Petroleum Corporation was one of the largest independent upstream operators in North America, active in the deepwater Gulf of Mexico, the Rockies, onshore US basins, and international assets, including Africa and Latin America. The company had been built over decades through acquisition, absorbing more than 120 heritage businesses, among them Kerr-McGee, Sun Oil and Panhandle Eastern. Each had brought its own seismic data library. By the time Anadarko took stock of the whole, the archive ran to more than 250,000 2D lines and 13,000 3D surveys, held across 1.12 million physical items on media spanning five decades of technology.



> Challenge

Three pressures were converging on the library. Aging tapes were deteriorating, with readers and spare parts for older formats increasingly scarce; retrieving historical data could take weeks. The entitlement picture was tangled as many seismic lines had been licensed in segments by different heritage companies, and reconstructing current ownership was a line-by-line exercise.

The third pressure was legal, and it arrived with Kerr-McGee. When Anadarko completed its \$16.4 billion acquisition of Kerr-McGee in August 2006, Kerr-McGee was already five years into a federal lawsuit over breach of seismic data licenses. The headline case had been priced into the deal. What had not been priced in, because nobody at Kerr-McGee knew it existed, surfaced during disclosure - 3,175 miles of seismic data in the company's possession with no license record and no employee able to explain how it had been acquired.

The \$25.27 million judgment that followed, affirmed on appeal in 2009, was by then owed by an Anadarko subsidiary. For Anadarko's board, this was a stark lesson. Diligence on known claims had worked, but diligence on what was actually in the warehouse had not been possible. The same exposure could sit undiscovered across any of the inherited libraries. The board commissioned a program to verify entitlement, digitize and transcribe aging media, and establish governance standards across the archive.



> Solution

Anadarko structured the program around four parallel workstreams: entitlement verification, navigation and location data, digitization and transcription of physical assets, and end-user tools. The digitization and transcription workstream required a partner who could handle the volume and range of legacy media to a defensible standard.

Ovation was engaged to deliver the full scope and remained Anadarko's partner through to the company's acquisition in 2019. From 2010 to 2013, two tractor-trailers arrived each week at Ovation's Houston facility, each carrying 22 pallets of physical media for processing and return. The round-robin continued for 42 months. Overall a quarter of a million tapes from over 30 legacy media formats were transcribed.

Every output was validated against defined contemporary digital standards, with a bar-coded chain of custody maintained throughout. Recovered data was integrated into Anadarko's corporate seismic database, providing geoscience and legal teams with a single, spatialized view of the library.

On completion, Ovation was retained for ongoing cataloging, navigation quality control, data management and archiving services - work that ultimately helped support a weekly governance meeting between Anadarko's legal, technical and data management teams.



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> Solution

Digitization and transcription at scale

- 250,000 data tapes transcribed from more than 30 legacy media formats to contemporary digital standards
- 290,000 documents scanned and indexed, including reports, maps, well logs and microfilm
- 570,400 physical items processed in total

Chain of custody

- 100% validation of outputs against defined quality standards
- Bar-coded chain of custody maintained throughout the program

Ongoing governance partnership

- Weekly cadence between Anadarko's legal, technical and data management staff
- Contract catalog grew from zero to more than 17,000 cataloged contracts over four years
- Ovation retained as outsourced partner for new-item cataloging, navigation QC, data management and remote cloud archival storage of the master copies

> Results

The program completed on time and on budget at \$13 million, creating more than three-quarters of a petabyte of digital data and consolidating the retained archive onto fewer than 60 LTO tapes.

During the inventory, Anadarko recovered several proprietary datasets that the company had lost track of. Licensed to third parties once cataloged, the revenue exceeded the cost of the entire program. The Anadarko Legal team was named in the company's own 2014 account of the work as one of three primary end users of the new data tools, alongside the geophysical interpreters and the Geophysical Technologies Group.

When Anadarko was acquired in 2019, the governed library supported license reconciliation at the transaction. For licensed data that was not transferred as part of the acquisition, Ovation worked directly with the acquirer's legal team on a defensible deletion protocol, addressing tape-level data remanence, with every deletion chain-of-custody verified and certified to the licensor.



The cost of doing this work reactively is always higher than the cost of doing it in advance. For in-house counsel at operators with legacy seismic libraries, the question is not whether exposure exists but whether it has been measured.

Ovation Data



Book a consultation

Find out how Ovation can help you bring your seismic library under defensible governance before it is tested by litigation, acquisition or regulatory review.



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