

## Alan Ehrlich

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**From:** HannaB@DFO-MPO.GC.CA  
**Sent:** Monday, October 28, 2002 8:10 AM  
**To:** adrian@mvlwb.com; Alan Ehrlich; Al\_Gibson@gov.nt.ca  
**Subject:** Western Geco article about Canadian closure

WesternGeco closes Lower 48, Canadian land seismic operations :  
WesternGeco said Oct. 21 that it is closing its land seismic operations in the U.S. Lower 48 states and Canada "due to sustained unprofitable market conditions."

The company said downsizing is also expected in other areas, with about 1,200 employees to be affected worldwide by the end of the year. WesternGeco said that land operations will continue in Alaska and Mexico and in "other economically viable areas worldwide."

The company said the move is part of a restructuring to decrease "emphasis on conventional seismic operations, which have been severely impacted by commodity pricing, excess risk, and difficult terms over the last 10 years."

While remaining active in defined land and marine exploration sectors, WesternGeco said it "is accelerating its move toward the production side of the E&P business, providing comprehensive seismic-based reservoir information solutions to the engineering and production asset teams."

"The action we've taken is an inevitable result of the high-risk, no-return state of affairs in the seismic industry," said WesternGeco President Gary Jones. "We will focus on customers and geographical areas where the value we provide is recognized, and will concentrate our growth in providing advanced reservoir information technology. This move is another step in our long-term commitment to sound business practices, including shutting down losing operations and exiting markets where reasonable terms and conditions do not prevail. However, given fair compensation and acceptable terms, our services are available everywhere to everyone."

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Northern News Services — October 28, 2002

## WesternGeco kills seismic work

Inuvik employees among the 1,200 laid off

Thorunn Howatt

Inuvik (Oct 28/02) - WesternGeco, a huge seismic force in the Mackenzie Delta area, is closing all of its land seismic operations. The move means layoffs for the company's Inuvik employees.

"I have people that do marine work, multi-client work, data-processing -- but our land crews are closing down," said WesternGeco's marketing manager, Richard Drake. He added that the other operations will remain open.

WesternGeco is a joint venture between Schlumberger and Baker Hughes. Schlumberger has a Northern joint venture with the Inuvialuit in Inuvialuit Oilfield Services (IOFS). That means the WesternGeco part of the Inuvik office will cease operations but the office will support the Schlumberger-IOFS side.

Projects like the Mackenzie River surveying project scheduled for next summer will continue.

As for the Beaufort Sea seismic, "There isn't anything planned for the summer but if there was work up there we would bid that stuff," said Drake.

WesternGeco's land operations have been losing money.

The company has four seismic sectors, including land, marine, multi-client and database-collection. The company is closing only the land operations in most of North America.

The other three seismic sectors will continue normal operations.

About 1,200 people will be laid off throughout North America with less than 10 in Inuvik.

WesternGeco has a few seismic contracts left in the Delta and will try to finish them or negotiate exits out of those.

"We would not have had as much as we had last year anyway," said Drake, who explained this is not a busy seismic year in the North. "People are going into a drilling cycle. They shoot it. They look for it. They go drill it."

Energy companies usually start to contract seismic work during the winter. WesternGeco's move could open the doors for smaller seismic companies to get in on future land contracts.