

OIL INDIA LIMITED
(A Govt. of India Enterprise)
NEF PROJECT
P.O. Duliajan-786 602 (Assam)

Sub: - Detailed Text for inviting Expression of Interest (EOI) against EOI No. OIL/NEF/EOI/07/2011 for short-listing of contractors for hiring the services of drilling rig package for drilling exploratory wells in NELP -VI Block in Mizoram

OIL INDIA LTD (OIL), a premier public sector undertaking of Govt. of India engaged in exploration, production & transportation of hydrocarbons invites EOI from reputed and established E & P service providers meeting the prequalification criteria as mentioned below for empanelment /short listing of contractors for issue of tender document for supply of rig package for drilling five (5) numbers of exploratory wells in the NELP-VI block: MZ-ONN-2004/1 in the state of Mizoram.

2.0 PROJECT INFORMATION:

As per committed MWP to the Govt. of India, Oil India Ltd. (OIL), being the operator in the above mentioned NELP block, has to drill 5(five) drilling wells within the stipulated time frame. It is proposed to charter hire a drilling rig package of 2000HP (minimum) capacity to drill five (5) numbers of exploratory wells at various sites within the NELP block.

2.1 Mizoram has the most variegated hilly terrain in the eastern part of India with 21 hill ranges of different altitudes (maximum altitude of around 1800m and in general 900 m to 1200 m) with succession of long valleys running mostly from North to South covering the entire state. The hills are very steep and rugged with intervening deep gorges. Two major roads namely NH-54 and State Highway funded by World Bank run almost parallel to each other in North-Southern direction through the centre of the state as well as OIL's NELP block. Both the roads emanate from Aizawl and converge at Lunglei, the second largest town in Mizoram after Aizawl. These two highways will serve as the major feeders for any drilling locations within the NELP block. The roads are in hilly terrain full of sharp curves with steep gradient. The other connecting roads are narrow having sharp horizontal curves with steep gradient in many places.

2.2 Like all other states in North east India, Mizoram also experiences heavy rain during Monsoon which sets in early i.e. from May onward. The average annual rainfall is 250 cm. Pre Monsoon showers are also frequent. During the period of monsoon there is frequent heavy rains resulting in land slides which temporarily disrupts of the road communication system. The summer is hot and humid and maximum temperature ranges from 30 to 34 degree centigrade during April to June. The winter is from November to January when the temperature is 12 to 25 degree centigrade.

3.0 GEOLOGY OF THE AREA:

3.1 Assam - Arakan region, Mizoram, Manipur and Tripura have drawn the attention of exploration geologists ever since the discovery of Digboi and Makum oil fields of Upper Assam around 1890. The Badarpur oil field in Cachar district

of Assam, presently abandoned, was discovered in 1901. This discovery followed a spate of other discoveries in Assam since Sixties of the last Century. Gas occurrence in Tripura is very relevant to the exploration of the region. Commercial gas in this state was discovered during the late seventies of previous century within the Surma sequence of Miocene age. Several other gas fields have also been found since then.

3.2 Cachar- Tripura- Mizoram fold belt constitutes a distinct part of Assam-Arakan tectonic system. Myanmar's Shan Plateau and the Ophiolite complex extend to the east of it. The Bangladesh flood plains are to the west. The Naga Schuppen belt of Assam forms the northern extreme and Chittagong hill track (Bangladesh) lies to the south of it.

3.3 The area of operation is a part of Tripura – Cachar – Mizoram fold belt of Assam Arakan Basin. The Mizoram fold belt is composed of tight linear folds with their axes almost in north-south direction. The intensity of folding increases from west to east where the rocks of Indian plate sub-ducted below the Burmese plate. The anticlines are long, narrow and tight, whereas the synclines are broad and gentle. As per the geological section of the area of operation, the area has Tipam formation exposed in the central part and Bokabil formation is exposed in the eastern and western part. The Bhuban formation is divided in three formations as Lower, Middle and Upper Bhuban formations. Lower Bhuban formation is mainly alternations of sandstones and shale. The Middle Bhuban consists of mainly shale with subordinate sandstones. The Upper Bhuban consists of alternations of sandstones and shales.

4.0 LOCATION OF THE AREA:

The block: MZ-ONN-2004/1 is situated in the Mizoram state and covers an area of 3213 sq km. Aizawl is the Capital town of Mizoram and is connected to the other places by motorable roads and highways. The nearest railhead is at Bhairabi close to the border with Cachar district of Assam. Aizawl is linked by air to the rest of India, the nearest international airport being located at Kolkata in West Bengal. The proposed area lies in between the following broad coordinates:

Coordinates of Block MZ-ONN-2004/1

Points	Latitude (N)			Longitude (E)		
	Deg.	Min.	Sec.	Deg.	Min.	Sec.
A	23	40	00	92	32	54.85
B	23	00	00	92	35	58
C	23	00	00	93	00	00
D	23	40	00	93	00	00
A	23	40	00	92	32	54.85

5.0 BRIEF SCOPE OF WORK:

Drilling of five (5) numbers of onshore exploratory wells of depth ranging from 4000m to 5300m through charter hire of a 2000 HP (minimum) drilling rig package including a suitable Effluent Treatment Plant (ETP) for an initial period of 2 years with provision of extension by one more year at the same terms and conditions, in high dip angle thrust belt area in hilly terrain involving difficult logistics in the NELP block (MZ-ONN-2004/1) in the state of Mizoram, India. **The roads leading to the drilling locations are in hilly terrain with sharp turning and steep gradient where the maximum single load with carrier/trailer should not exceed 35 MT for transportation.**

6.0 DRILLING RIG:

6.1 The vendor shall have to be in possession of the rig to be offered either owned or leased. In case, the vendor is not in possession of the rig at the time of submission of EOI, they may offer a rig for which they intend to have an agreement for lease/buy.

6.2 The horsepower rating of the rig should be minimum 2000 HP. Further, the rig should be Diesel Electric, having self elevating mast and sub-structure (as per API standard) and also suitable for cluster location (1 + 1 Wells). Spacing between wells at surface on cluster well plinth is 15m (approx). The rig would have to be equipped with proper effluent treatment plant. The vendor should have access to suitable top drive system which can be mobilized and fitted to the offered rig if required on call basis.

6.3 The Rig should not be more than 7 years old as on the bid closing date.

6.4 Further, the drilling unit should have a residual life of 7 years as on the bid closing date. The inspection and certification regarding the residual life of the rig should be done by any of the following inspection agencies:

- (a) DNV
- (b) ABS
- (c) BV
- (d) LLOYDS
- (e) Oilfield Audit Services

6.5 The transportation of rig package to the drilling locations will be the responsibility of the vendor. Because of difficult logistics it is suggested that the transportation of the rig package might have to be done in such a way that single consignment should not be more than 35 MT including the weight of the carrier. Additionally, the vendor may decide upon the length of the carrier.

7.0 MANPOWER

The vendor must have the key personnel with requisite experience and qualification as specified in **Annexure-I**. The Area Manager/Rig Superintendent, Tool Pusher, Tour pusher, Driller and Asst. Driller should possess valid International Well Control Forum (IWCF) certificate at appropriate levels and should be fluent in English.

8.0 SAFETY COMPLIANCE:

The vendor shall have to comply with the applicable and prevailing provisions of Mines Act, 1952, OISD (Oil Industry Safety Directorate) guidelines and MoE&F (Ministry of Environment and Forest) directives.

9.0 PRE-QUALIFYING CRITERIA:

9.1 The vendor must fulfil the following minimum pre-qualifying criteria for empanelment / short-listing for issue of tender documents for charter hire of 2000 HP (minimum) rig package.

9.2 The vendor must have the following experience during the last 7 (seven) years as on bid closing date:-

(i) Minimum one year continuous experience of providing drilling services with minimum 1400 HP rig capacity on charter hire basis.

(ii) Drilling of at least 5 (five) nos. oil/gas wells with drilling rig of minimum 1400 HP capacity out of which one well should be of depth range 4000 m (minimum) and one well must be in fold belt area.

9.3 Average annual financial turnover as per Audited Annual Reports during the last 3 years (ending 31.03.2011) shall be at least **₹ 35.10 Crores (or US\$ 7.65 Million)**.

9.4 The average net profit of the vendor as per the past three years audited accounts need to be positive.

9.5 In case, the vendor is consortium of companies, the Leader of the consortium should satisfy the minimum experience requirement as per Para 9.2 above. However, any one of the consortium members individually shall have to meet the financial turnover criteria mentioned in Para 9.3 above. Additionally, all the consortium members shall individually meet the criteria mentioned in para 9.4 above.

9.5.1 Legally acceptable Memorandum of Understanding has to be made between the consortium members duly signed by the authorized executives of the consortium members clearly defining the role/scope of work of each partner/member, binding the members jointly and severally to the responsibility for discharging all obligations under the contract, if awarded, and identifying the Leader of Consortium. Unconditional acceptance of full responsibility for executing the "Scope of work" of the bid document by the Leader of the Consortium shall be submitted along with the technical bid (in the event of issue of tender).

9.5.2 Only the Leader of the consortium shall submit bid (in the event of issue of tender) and sign the contract agreement (in the event of award of contract) on behalf of the consortium.

9.5.3 The Bid Security from the Bank (as specified in the tender document) shall be in the name of the Leader of the consortium on behalf of consortium with specific reference to consortium bid and name & address of consortium members in the event of issue of tender document. Similarly the Performance Security (as specified in the tender document) shall be in the name of the Leader of the consortium on behalf of the consortium in the event of award of contract.

9.6 In case, the Bidder is an Indian Company/Indian joint venture Company, either the Indian Company/Indian Joint Venture Company or its technical collaborator/joint venture partner should meet the criteria laid down at para 9.2 above. However, the Indian Company/Indian Joint Venture Company must meet the financial turnover criteria mentioned in Para 9.3 above.

9.6.1 Indian bidders quoting based on technical collaboration/joint venture, shall submit a Memorandum of Understanding/Agreement with their technical collaborator/joint venture partner clearly indicating their roles under the scope of work which shall also be addressed to OIL and remain valid and binding for the contract period under this tender.

9.6.2 Any party who is extending technical support by way of entering into technical collaboration with another party, shall not be allowed to submit an independent Bid against the tender and such bids shall be rejected straightway. Further, all bids from parties with technical collaboration support from the same Principal will be rejected.

10.0 INFORMATION & DOCUMENTS:

10.1 The vendor must furnish the following in support of fulfilling all the above pre-qualifying criteria:

- (a) Rig offered – documents relating to rig already in possession or propose to own / lease along with brief technical specifications.
- (b) Drilling experience of vendor – Statement to be furnished by vendor in a tabular form as per **Annexure-II** along with copies of contracts / work orders, completion certificates / payment certificates issued by the clients.
- (c) Financial turnover of vendor as per **Annexure-III** alongwith Audited balance sheets / profit and loss accounts etc.
- (d) MOU or legally acceptable documents in support of consortium arrangements / technical collaboration / joint venture arrangements, if any.
- (e) A letter with categorical confirmation that the vendor shall provide key personnel as indicated vide **Annexure-I** and shall deploy for drilling operation (in the event of award of contract).

10.2 Details of current work in hand and other contractual commitments of the vendor are to be submitted in a tabular form as per **Annexure-IV** along with copies of contracts/work order.

10.3 Vendor while submitting the documents in support of their experience vide Clause 9.0 above shall also submit details of experience of the Leader of the consortium on works/jobs done of similar nature in the past along with the EOI, in case the vendor is consortium of companies.

10.4 All documents submitted with the EOI must be self certified by the vendor's authorized person indicating clearly name & designation of the person.

Note:

- (i) All the copies of document submitted along with the EOI should be clear & legible.
- (ii) OIL INDIA LIMITED (OIL) reserves the right to physically check the original documents/certificate, copies of which are submitted along with the EOI.
- (iii) The EOI is liable to be ignored in case of submission of any misleading/false representation by the vendor in the form, statements and attachments.
- (iv) OIL INDIA LIMITED reserves the right to ignore any or all EOIs without assigning any reason thereof.
- (v) OIL INDIA LIMITED reserves the right to curtail/ enhance the scope of the work stated above or cancel, if required, without assigning any reason thereof.

11.0. SUBMISSION OF EOI

The EOI together with the information/documents as mentioned above should be submitted in a closed envelop superscribing "EOI for Charter Hire of 2000 HP Drilling Rig for NELP block in Mizoram" and must reach the following address **on or before 6th January, 2012 (Friday) till 15.00 Hrs. (IST):**

Head-NEF
OIL INDIA LIMITED
Duliajan-786602, Assam, India
Ph: 91-374-2800405/2801799, Fax: 91-374-2801799,
Email: nef@oilindia.in Website: www.oil-india.com

If however the above date happens to be a Holiday / Bundh, EOI will be received up to the next full working day till 03.000 PM (IST). EOI may be sent by post/courier service, delivered personally or dropped in the tender box placed at the office of NEF Project, Oil India Ltd., Duliajan-786602, Assam. However, for the delay in receipt or non-receipt of the same, Oil India Ltd. will not be responsible.

12.0 Oil India Limited reserves the right to (a) either accept or reject any / all EOI(s) (b) cancel the process without assigning any reason what so ever.

1. AREA MANAGER / RIG MANAGER/ RIG SUPERINTENDENT

- A. **Qualification:** Graduate in Engineering / Science or three years Diploma in Engineering.
- B. **Experience:**
- i) Should have work experience in deep drilling oil / gas wells, for minimum 10 years, of which at least 5 years should be in a senior management level.
 - ii) Should be conversant with working in diesel electrical rigs/supplied rig.
 - iii) Should be conversant with mud chemicals & maintenance of mud property.
 - iv) Should have completed at least one gas well of minimum 4000m depth.
 - v) Should have completed one well in fold belt area.
- C. **Certification/License/ Health:**
- i. Must possess valid well control certificate (IWCF-Supervisor Level) and should be conversant with well control methods to take independent decisions in case of well emergencies.
 - ii. Should be of sound health to work in adverse weather condition in drilling well.

2. TOOL PUSHER:

- A. **Qualification:** Graduate in Engineering / Science or three years Diploma in Engineering.
- B. **Experience:**
- i. Should have work experience in deep drilling oil / gas wells, for minimum 10 years, of which at least one year as tool pusher in exploratory & development wells.
 - ii. Should be conversant with working in diesel electrical rigs/supplied rig.
 - iii. Should be conversant with mud chemicals & maintenance of mud property.
 - iv. Should have completed at least one gas well of minimum 4000m depth.
 - v. Should have completed one well in fold belt area.
- C. **Certification/License/ Health:**
- i. Must possess valid well control certificate (IWCF-Supervisor Level) and should be conversant with well control methods to take independent decisions in case of well emergencies.
 - ii. Should be of sound health to work in adverse weather condition in drilling well.

3. TOUR PUSHER / NIGHT TOOL PUSHER:

- A. **Qualification:** Graduate in Engineering / Science or three years Diploma in Engineering.
- B. **Experience:**
- i. Should have work experience in deep drilling oil / gas wells for minimum 7 years in drilling, out of which at least one year as tool / tour pusher of exploratory & development wells.
 - ii. Should be conversant with working in diesel electrical rigs/supplied rig.
 - iii. Should be conversant with mud chemicals & maintenance of mud property.
 - iv. Should have completed at least one gas well of minimum 4000m depth.
 - v. Should have completed one well in fold belt area.

C. **Certification/License/ Health:**

- i. Must possess valid well control certificate (IWCF-Supervisor Level) and should be conversant with well control methods to take independent decisions in case of well emergencies.
- ii. Should be of sound health to work in adverse weather condition in drilling well.

4. DRILLER:

A. **Qualification:** Graduate in Science or three years Diploma in Engineering.

B. **Experience:**

- i. Should have work experience in deep drilling oil / gas wells for minimum 5 years out of which at least one year as Shift In charge / Driller of exploratory & development wells.
- ii. Should be conversant with working in diesel electrical rigs/supplied rig.
- iii. Should be conversant with mud chemicals & maintenance of mud property.
- iv. Should have completed at least one gas well of minimum 4000m depth.
- v. Should have completed one well in fold belt area.

C. **Certification/License/ Health:**

- i. Must possess valid well control certificate (IWCF-Driller Level) and should be conversant with well control methods to detect well kick, shut the well and assist Tool Pusher/ Tour Pusher in case of well emergencies.
- ii. Should be of sound health to work in adverse weather condition in drilling well.

5. ASSISTANT DRILLER:

A. **Qualification:** SSC/HS/PU/I. Sc. or equivalent

B. **Experience:**

- i. Should have work experience in deep drilling oil / gas wells for minimum 4 years out of which at least one year as Asst. Driller / Head-man of exploratory & development wells.
- ii. Should be conversant with working in diesel electrical rigs/supplied rig.
- iii. Should be conversant with mud chemicals & maintenance of mud property.
- iv. Should have completed at least one gas well of minimum 4000m depth.

C. **Certification/License/ Health:**

- i. Must possess valid well control certificate (IWCF-Driller Level) and should be conversant with well control methods to detect well kick, shut the well and assist Tool Pusher/ Tour Pusher in case of well emergencies.
- iii. Should be of sound health to work in adverse weather condition in drilling well.

Annexure-II

Sl. No.	Contract No.	Name of client	Place of operation	HP of rig	Depths of wells	No. of Wells drilled		Commencement of contract	Completion of contract
						In Normal Area	In Fold Belt Area		

Annexure-III

Financial Year	Annual Turnover
2008-09	
2009-10	
2010-11	

Annexure-IV

Sl. No.	Contract No.	Name of client	Place of operation	HP of rig	Depths of wells	No. of Wells drilled		Period of contract	Commencement of contract
						In Normal Area	In Fold Belt Area		

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