

OIL INDIA LIMITED

KG BASIN PROJECT

KAKINADA

GLOBAL EXPRESSION OF INTEREST NO. OIL/KGB/EOI-9

Oil India Limited, KG Basin Project, Door No. 11-4-7, Nookamma Temple Street, Ramarao Peta, Kakinada-533004, Andhra Pradesh invites Global Expression Of Interest(Global EOI) for '**Hiring of Drilling Rig Package Services with crew**' from reputed E&P Service Providers for drilling and testing of Exploratory (HP-HT) Wells in NELP-VI block: KG-ONN-2004/1. The depth of the wells expected to be 5800m+. Interested Parties having relevant experience and expertise (**details are available at OIL's website-www.oil-india.com**) are invited to submit their EOI at our e-mail id:**oilkgbprojecteoi@gmail.com** **within 05.09.2011**, followed by hard copies of the same through courier/post.

GLOBAL EXPRESSION OF INTEREST (EOI) NO. OIL/KGB/EOI-9 FOR HIRING OF DRILLING RIG PACKAGE SERVICES WITH CREW FOR DRILLING HPHT EXPLORATORY WELLS IN NELP-VI BLOCK: KG-ONN-2004/1 IN EAST GODAVARI DISTRICT OF ANDHRAPRADESH & YANAM DISTRICT OF PUDUCHERRY, INDIA

1. Introduction

OIL India Limited (OIL) along with its partner GeoGlobal Resources, Barbados invites Global Expression of Interest (EOI) from interested and reputable contractors with a suitable land rig(s) and relevant experience for the KG-ONN-2004/1 High Pressure High Temperature (HPHT) critical sour Exploratory Drilling Campaign for provision of drilling rig & related services. The JV has a commitment to drill 12 exploratory wells in the 549 sq. km. block area on the Eastern Coast of India.

Note: Rig contractors having their own/leased rig package services are qualified to participate. Any submission through agents or subcontractors or intermediaries will not be acceptable.

In case of consortium of companies, the Leader of consortium should satisfy the experiences as mentioned against point 4.0 {srl no. (a) to (e)}. However, any one of the consortium members shall have to meet the financial turnover criteria as mentioned point 4 {srl no. (f)}.

2. Brief description, work scope and specifications

The land rig is planned to be used to drill several exploratory HPHT wells for an onshore gas field. It is scheduled to start operations by Q1-Q2, 2012. It has been planned to drill & test initially 03 (three) HPHT exploratory wells which is expected to be completed in two years period. The contract may be extended for additional wells. The land rig shall have minimum following specifications:

- Depth capacity of all components = 6,500 m
- Hook load capacity = 1,260,000 lbs with 1,400,000 lbs minimum simultaneous setback capacity
- Drawworks 3,000 HP
- Electric Top Drive 500 ton capacity
- Sour service (SS or equivalent) drill pipe
- 3 x triplex mud pumps 1600 HP each with 7,500 psi WP system

- Mud tank capacity = 3000 bbl active. Zero discharge system while handling synthetic oil base mud.
- 3xLMSS, Mud Gas Separator, Degasser
- High pressure (15,000 psi rated) kill pump with minimum 200 bbls capacity tank with necessary fittings.
- Well control equipment:
 - 30" diverter system
 - 21-1/4" 5,000 psi WP BOP stack and BOP control equipment
 - 13-5/8" 15,000 psi WP BOP stack and BOP control equipment. Or alternatively 18-3/4" 15000 psi WP BOP stack and BOP control equipment
 - 15,000 psi WP choke manifold and lines

3. Documents to be submitted:

To qualify for consideration, contractors are required to supply one (1) set of the following documentation, with the specific chapters, separated by dividers, in the same order as set out here below (a) to (n). In addition, applicants must provide two clearly labelled (2) electronic copies (CD ROM) of the prequalification documents.

- a) A separate section summarizing the contents chapter by chapter of the prequalification document.
- b) Contractor's general structure and organisation, including the branch / sub-division dedicated to such activities.
- c) Details of company's Health, Safety and Environmental Policy and Programme together with HSE Management System.
- d) Safety records detailed for accidents, injuries, damage and summarized for near-misses, LTI over the past five (5) years.
- e) Quality Assurance System certified ISO 9001 or equivalent.
- f) Details of relevant verifiable experience of similar **HPHT** services that has been undertaken as main contractor in the last ten (10) years, inside or outside India.
- g) Details of relevant verifiable experience involving **critical sour** operations that has been undertaken as main contractor in the last ten (10) years.
- h) Reference (including emails and telephone numbers) of three major customers that can be contacted for information / reference.
- i) Description and specifications of suitable drilling rigs currently owned/leased by the contractor together with proof of ownership/lease agreement, maintenance schedule and safety standards that will be utilized in the execution of the work.
- j) Resume of key personnel to be involved in the services with HPHT and sour experience in their respective position.
- k) Qualifier's audited accounts for the past three (3) accounting years.
- l) All relevant information concerning contacts, telephone, fax, e-mail of the contractor's representative.
- m) Copy of current IADC certificate (Contractors must be registered with IADC).
- n) **Rig availability & delivery schedule.**

Failure to provide any of the listed documents or information shall negatively affect the qualification to participate in the tendering process. Notwithstanding the submission of this documentation, OIL is neither committed nor obliged to include any contractor on

the tender list or award any form of contract to any contractor and/or associated companies.

Please note that this is not an invitation to tender. Full tendering procedure will be provided only to contractors that have been successfully pre-qualified through this advertisement and this may consist of safety / technical audit of facilities/equipment to determine those suitable to provide this service.

4. Vendor Qualification Criteria

Vendors will be qualified based on the basis of the following criteria:

- (a) Corporate experience in providing the Drilling Rig Package contracting Services with in-house/leased rigs to E&P companies for last 10(Ten) years reckoned from the publication of this EOI.
- (b) Experience of drilling minimum 05 (five) HPHT wells in last 10(Ten) years reckoned from the publication of this EOI.
- (c) Experience of drilling 03 (three) critical sour wells in last 10(Ten) years reckoned from the publication of this EOI.
- (d) The key personnel should have minimum 02(two) HPHT well experiences.
- (e) Should have Health, Safety, Security and Environment Management System and sound track record.
- (f) The average annual turnover in last three accounting years should be minimum Rs.50.00 Crore (USD.11.00 million)

Vendors should clearly mention (point wise) whether they satisfy the above criteria & support it with necessary documentary evidence.

Vendors willing to participate in the tender need to necessarily pre-qualify as per the above criteria irrespective of their past track record with OIL in providing Rig Package Services.

The **definition** of a **HPHT well** is a well where the undisturbed bottom hole temperature at prospective reservoir depth or total depth is greater than 350 °F (175°C) and either the maximum anticipated pore pressure of any porous formation to be drilled through exceeds a hydrostatic gradient of 0.8 psi/ft (representing an EMW of 1.85 SG or 15.4 ppg) or pressure control equipment with a rated working pressure in excess of 10000 psi is required.

The **definition** of a **critical sour well** is documented in industry recommended practice Volume 1 (IRP 1).

5. Location of the Block

The location of the Block is given in Figure-1.

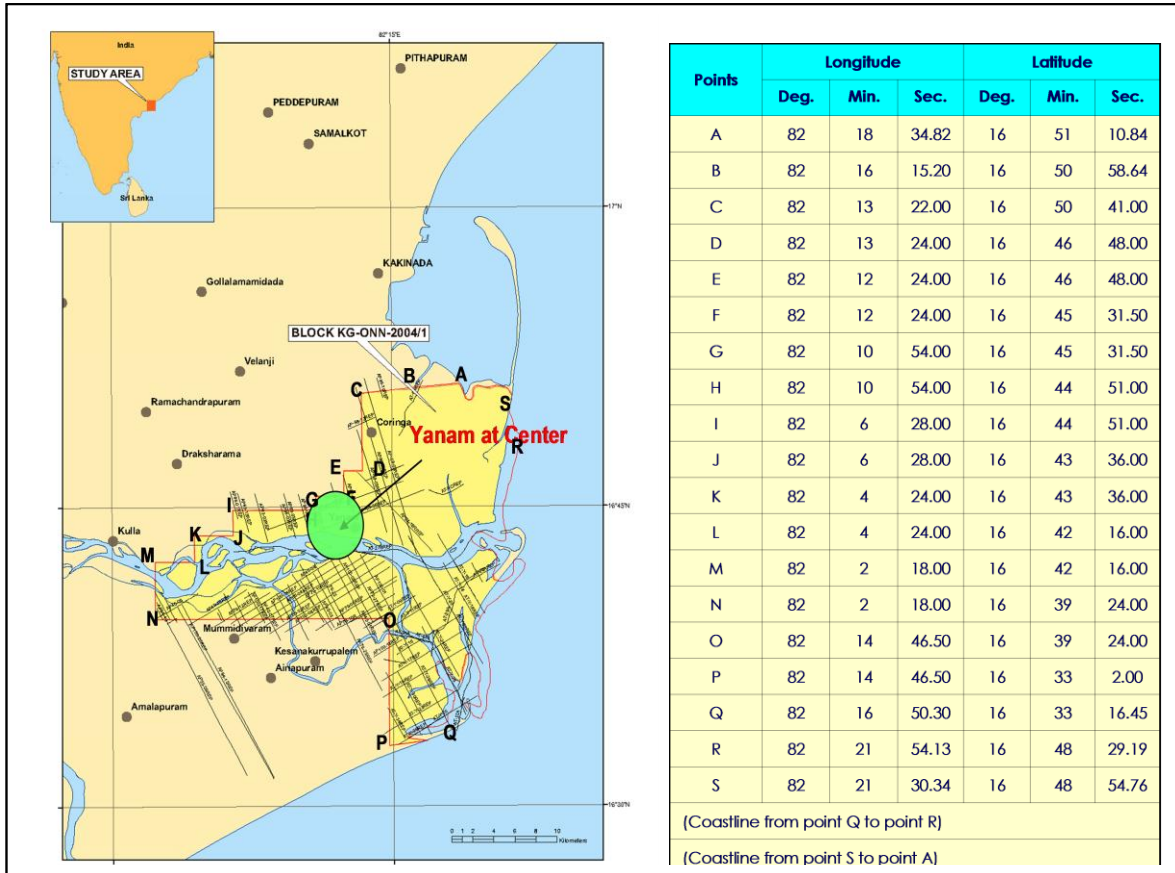


Figure-1: The location of the Block KG-ONN-2004/1 in KG basin.

6. Communication to the Block

The communication to the Block KG-ONN-2004/1 is available through air, water, rail & road as given below and shown in Figure-3:

1. Nearest Airport :
 - Vizag : 100 Km
 - Rajahmundry : 60 Km
2. Nearest Sea Port
 - Kakinada : 15 Km
3. Nearest Railway Junction
 - Samalkot : 30 Km
 - Kakinada : 15 Km
4. National Highway: : NH-5

7. Lithology

DEPTH (M)	Age	Formation	Lithologic Description
0			
600	Recent/Miocene	Rajahmundry sandstone + Narsapur claystone & Younger rocks	Brick colored ferruginous sandstone, claystone expected
800	Oligocene	Matsyapuri sandstone	Sandstone with shale/clay interbeds
1300	Eocene	Bhimanapalli limestone	Mainly limestone
1500		Pasarlupudi formation	Shale with lenticular sand bodies
1800		Pallakollu shale	Mostly shale, possible channel sands
2000	Paleocene	Razole formation	Fractured basalt with claystone
4600	Upper Cretaceous	Raghavpuram shale / Chintalapalli shale	Dominantly shale, channel sand bodies expected
5800	Lower Cretaceous	Gollapalli sandstone	Dominantly syn-rift sandstone with shale interbeds

Figure-2: Expected Lithology

8. Drilling Complications in nearby Wells

The following information regarding drilling difficulties encountered near the Block area could be gathered:

- Loss circulation is common between 400m-1300m in Bhimanapalli limestone formation, partial to sometime total loss.
- Temperature Gradient is high: 3.2 degree centigrade per 100m between 100m to 1100m and increases to 3.6 degree centigrade per 100m from 3150m and below. BHT at 4000m can exceed beyond 170 degree centigrade. Very high temperature of 205 degree centigrade has been recorded in a well around a depth of 4845m.

- High Pressure: Within Mandapeta and Pasralpudi sandstone formation, below 3000m, are high pressure zone. Also, many zones have pocket gases with high pressure. Wells deeper than 5000m are expected to encounter extreme temperature and pressure conditions.
- Additionally, due to its logistic difficulties/environmental considerations etc., there may be requirement of Directional Drilling with MWD/LWD applications.

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9. Well Details

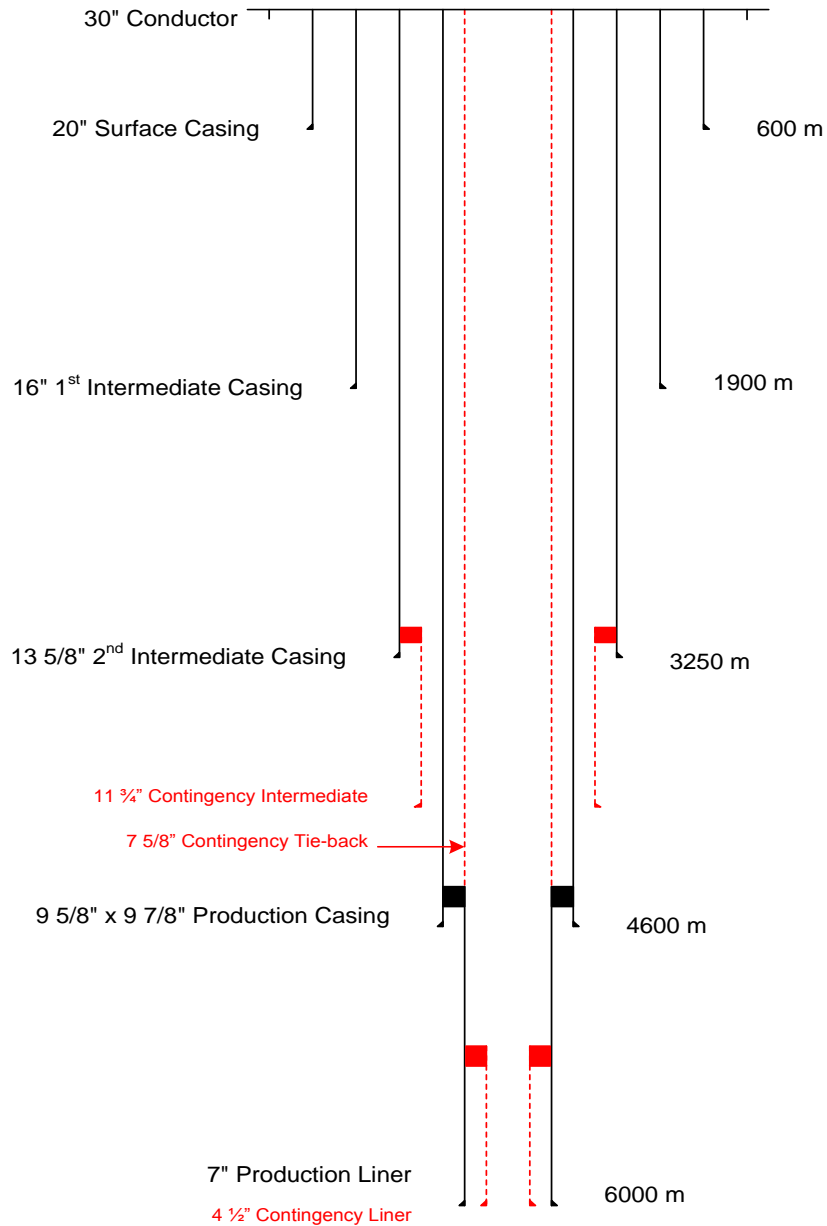


Figure-3: Proposed Well Design

Tentative casing Policy:

Hole Size (inches)	Depth (m)	Casing Size (inches)	Mud Wt (ppg)
*Conductor	20	30"	-
26"	600	20"	9.8
18.1/2" UR to 20"	1900	16"	13.4
14.3/4" UR 16"	3250	13.5/8"	13.4
12.1/4"	4600	9.7/8"x 9.5/8"	16.0
8.1/2"	5800	7" Liner	16.0

Contingent Casing:

Hole Size (inches)	Depth (m)	Casing Size (inches)	Mud Wt (ppg)
14"	4200	11.3/4"	16.0
5.7/8"	5800	4.1/2"	15.8

Expected BHP=13000psi**Expected BHST=440deg.F**

Interested Parties having relevant experience and expertise as above are invited to submit their EOI at our e-mail id: oilkgbprojecteoi@gmail.com within 05.09.2011, followed by hard copies and two(2) clearly labelled electronic copies (CD ROM) of the same through courier/post super-scribing "Expression of Interest No. OIL/KGB/EOI-9 for **"HIRING OF DRILLING RIG PACKAGE SERVICES WITH CREW IN THE NELP VI BLOCK KG-ONN-2004/1"** at the following address:

General Manager (KGB&BEP)
OIL INDIA LIMITED,
D.No.11-4-7,
3 rd Floor,
Nokamma Temple Street,
Ramaraopeta,
Kakinada-533004 Andhra Pradesh.
Contact No: 0884-2302179

OIL reserves the right to (a) accept or reject any/all EOIs submitted by parties (b) cancel the process at any time without any liability and assigning any reason thereof.
