

OIL INDIA LIMITED
(A Govt. of India Enterprise)

RAJASTHAN PROJECT
12, OLD RESIDENCY ROAD
JODHPUR- 342011
RAJASTHAN, INDIA

FAX : 0291-2431689

E-mail: mat_rp@oilindia.in

FORWARDING LETTER

Tender No. : JCO 4255 P10

To
M/s
.....
.....
.....

Sirs,

Document Srl. No. :
Money Receipt No. :
Tender Fee :	Rs. 5,000.00 OR US \$ 100.00
Signature of issuing Officer

Sub: Hiring of on-shore oil/gas well Cementing Services

In connection with our Invitation of Bids, we enclose a complete set of Bid Document covering Tender for **Charter Hire of a Cementing Unit with Crew and Accessories for drilling of on-shore oil/gas well in Rajasthan**. For your ready reference, few salient features (Covered in details in this bid document) are highlighted below.

- i) OIL's Tender No. : JCO 4255 P10 dated 16.07.2009
- ii) Type of Bid : Single Stage Composite Bid System
- iii) **Bid Closing Date & Time** : **15:00 hrs (IST) on 4th August, 2009**
- iv) Bid Opening (Technical) Date & Time : 15:15 hrs (IST) on 4th August, 2009
- v) Bid Opening Place : Executive Director's Office at Jodhpur
- vi) Place of Submission of bid : OIL INDIA LIMITED,
12, Old Residency Road,
JODHPUR - 342 011,
RAJASTHAN (INDIA).
- vii) Amount of Bid Security : Rs. 94,000.00 or US \$ 2,000.00

- viii) Amount of Performance Security : 10 % of the Estimated Agreement Value
- ix) Mobilisation Time : 30 days from the date of issue of Letter of Award (LOA) by Company.
- x) Amount of Liquidated Damage for default in timely Mobiliosation : Liquidated damages shall be applicable @ 0.5% of the total estimated agreement value for delay in mobilization per week or part thereof subject to maximum of 7.5%.
- xi) Duration of Contract : Three (3) months with a provision for extension by further three months or less at the same rates, terms and conditions.

We now look forward to receiving your most competitive offer in line with the tender terms well within the bid closing date and time.

Thanking You

Yours faithfully,
OIL INDIA LIMITED

(P. DAS)
CHIEF MANAGER (M&C)
FOR EXECUTIVE DIRECTOR (RP)

SECTION – I

INVITATION FOR BIDS

- 1.0 Oil India Limited (OIL) invites International Competitive Bids for the following oilfield services for its RAJASTNAN PROJECT under Single Stage Composite Bid System from eligible and internationally reputed bidders.
- 1.1 Tender No. : JCO 4255 P10 dated 16.07.2009
- 1.2 Bid Closing Date : 4th August, 2009
& Time : (15:00 Hrs. ITS)
- 1.3 Tender fee : US \$ 100.00 **OR** Rs. 5,000.00
- 1.4 Bid Security : US \$ 2,000.00 **OR** Rs. 94,000.00
- 2.0 **Description of Service:** Charter Hire of Cementing Unit with Crew and accessories for Cementing Services related to drilling of on-shore oil/gas wells for an initial period of three months and extendable by another three months or less at the same rates, terms and conditions.
- 3.0 Non-transferable bid documents can be obtained from any of the following offices of OIL on application and payment of non-refundable tender fee (except PSU and SSI Units) as indicated above through crossed demand draft drawn in favour of Oil India Limited and made payable at Jodhpur/Kolkata/New Delhi (as the place of purchase). Tender document will be on sale from 15th December, 2008 till one day prior to scheduled Bid Closing Date.
- | | | |
|-------------------------|---------------------------|-------------------------|
| Executive Director (RP) | Sr. Advisor (C&P) | HEAD (Kolkata Branch) |
| Oil India Ltd | Oil India Limited | Oil India Limited |
| 12, Old Residency Road | Plot No. 19, Sector – 16A | 4, India Exchange Place |
| Jodhpur- 342011 | Noida – 201 301 | Kolkata- 700001 |
- 4.0 OIL reserves the right to refuse issue of tender document to such parties even on payment of tender fee, about whose competence OIL is not satisfied. Company's decision in this regard shall be final.
- 5.0 OIL reserves the right to reject any/all bids and cancel the tender without assigning any reason whatsoever.

-: Please visit us at www.oil-india.com:-

(END OF SECTION – I)

SECTION – II

INSTRUCTIONS TO BIDDERS

1.0 Bidder shall bear all costs associated with the preparation and submission of bid. Oil India Limited, hereinafter referred to as Company, will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

A. BIDDING DOCUMENT / TENDER DOCUMENT

2.0 The services required, bidding procedures and contract terms are prescribed in the Bidding Documents. This bidding document includes the following:

(a) A forwarding letter highlighting the following points:

- (i) Oil India Limited 's Tender No.
- (ii) Bid closing date and time.
- (iii) Bid opening date, time and place.
- (iv) The amount of Bid Security.
- (v) The amount of performance guarantee.
- (vi) Quantum of liquidated damages for default in timely mobilization.

- (b) Invitation for Bids (Section - I)
- (b) Instructions to Bidders (Section - II)
- (c) General Conditions of Contract (Section - III)
- (d) Special Conditions of Contract (Section - IV)
- (e) Scope of work / Terms of Reference (Section - V)
- (f) Bid form & Schedule of Rates (Section - VI)
- (g) The Bid Security Form (Section - VII)
- (h) The Performance Security Form (Section - VIII)
- (i) The Contract Form (Section - IX)
- (j) Bid Evaluation Criteria/Bid Rejection Criteria (BEC/BRC)-(Section - X)

2.1 The bidder is expected to examine all instructions, forms, terms and specifications in the Bid Document. Failure to furnish all information required as per the Bid Document or submission of a bid not substantially responsive to the Bid Document in all respect will be at the Bidder's risk & responsibility and may result in rejection of their bids.

3.0 AMENDMENTS TO BIDDING DOCUMENT:

3.1 At any time prior to the deadline for submission of bids, the Company may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bid Document through an Addendum.

3.2 The Addendum will be sent in writing or by Fax/E-mail/Courier/Post to all prospective Bidders to whom Company had issued the bid documents. The Company may, at its discretion, extend the deadline for bid submission, if the Bidders are expected to require additional time in which to take the Addendum into account in preparation of their bid or for any other reason.

B. PREPARATION OF BIDS

4.0 LANGUAGE OF BIDS:

4.1 The bid as well as all correspondence and documents relating to the bid exchanged between the Bidder and the Company shall be in English language, except that any printed literature may be in another language, provided it is accompanied by an English version which shall govern for the purpose of bid interpretation.

5.0 DOCUMENTS COMPRISING THE BID:

5.1 The bidder should submit their offer under single stage composite bid system i.e., only a single Techno-Commercial Bid comprising of the following documents.

- (i) Complete technical details of the services and equipment specifications with catalogue, etc.
- (ii) Documentary evidence establishing Bidder's eligibility as per BEC/BRC defined in Section – X.
- (iii) Bid Security furnished in accordance with Para 10.0 below.
- (iv) Statement of compliance as per **Proforma – I** of Section – X .
- (v) Bid Form & Schedule of rates as per Section – VI and **Proforma – II** of Section - X.
- (vi) **Annexure – A and Annexure – B** of Section – VI, showing details of items to be imported **with** their CIF values.

6.0 BID FORM:

6.1 The bidder shall complete the Bid Form and the appropriate Price Schedule furnished in the Bid Document vide Section – VI & Section – X respectively.

7.0 BID PRICE:

7.1 Unit prices must be quoted both in words and in figures.

7.2 Price quoted by the Successful Bidder must remain firm throughout its performance of the Contract and is not subject to variation on any account, including extension period, if any.

7.3 All duties and taxes including Corporate income taxes, Service Tax and other levies payable by the Contractor under the Contract for which this Bid Document is issued, shall be included in the rates, prices and total Bid Price submitted by the bidder, and the evaluation and comparison of bids shall be made accordingly. For example, personal taxes and/or any corporate taxes arising out of the profits on the contract as per rules of the country shall be borne by the bidder. Only the R & D Cess, applicable if any against this contract will be borne and paid for by OIL.

7.4 Since this tender is floated for availing services for the purpose of Petroleum Exploration in India in NELP Block/old ML areas of OIL INDIA LIMITED for which licenses have been issued prior to 01.04.1999, Customs Duty towards import is not applicable against submission of Essentiality Certificate issued by DGH. For this purpose, OIL INDIA LIMITED will issue the necessary Recommendatory Letters to the Contractor on request, if the Cementing Unit is required to be imported. Therefore, bidders are requested to categorically confirm whether their offered Unit is already in India or they propose to import against the Contract on re-exportable basis. However, ensuring timely availability of the Unit, obtaining Essentiality certificate, if required and clearance of goods through Customs etc. will be the sole responsibility of the Contractor.

7.5 Notwithstanding para 7.4 above, OIL reserves the right to deploy the services in other areas also in Rajasthan, which do not qualify for concessional Customs Duty towards import. In such a situation or if Government withdraw the benefits as above any time during the currency of contract, the applicable Customs Duty will be reimbursed by the Company to the Contractor against documentary proof. However, payment of Duty and clearance of goods through Indian Customs will be the sole responsibility of the Contractor.

8.0 CURRENCIES OF BID AND PAYMENT:

8.1 A bidder expecting to incur its expenditures during the performance of the Contract in more than one currency, and wishing to be paid accordingly, shall so indicate in the bid. In such a case, the bid shall be expressed in different currencies and the respective amounts in each currency shall together make up the total price.

8.2 Indian bidders too can submit their bids in any currency (including Indian Rupees) and receive payment in such currencies at par with foreign bidders. However, currency once quoted will not be allowed to be changed.

9.0 DOCUMENTS ESTABLISHING BIDDER'S ELIGIBILITY AND QUALIFICATIONS:

These are listed in Bid Rejection Criteria vide Section – X.

10.0 BID SECURITY:

10.1 Pursuant to Para 5.0 above, the Bidder shall furnish as part of its Technical bid, Bid Security in the amount as specified in the "Forwarding Letter".

10.2 The Bid Security is required to protect the Company against the risk of Bidder's conduct, which would warrant the security's forfeiture, pursuant to sub-para 10.7 below.

10.3 The Bid Security shall be denominated in the currency of the Bid or another freely convertible currency, and shall be in the following forms:-

a) A Bank Guarantee issued by a scheduled Bank located in India in the form provided in the Bid document (Ref. Section-VII for the format) and valid for 60 days beyond the validity of the Bid. The bank guarantee/Letter of Credit should be so endorsed that it can be invoked at the issuing bank's branch located at Jodhpur (Rajasthan) India or alternatively at New Delhi, India.

b) A Cashier's Cheque or Demand Draft drawn on "OIL INDIA LIMITED" and payable at Jodhpur, Rajasthan (India).

10.4 Any Bid not secured in accordance with above-mentioned subparagraphs 10.1 to 10.3 will be rejected by Company as non-responsive, except those are exempted.

10.5 Unsuccessful Bidder's Bid Security will be discharged and/or returned within 30 days of expiry of the period of bid validity.

10.6 Successful Bidder's Bid Security will be discharged upon the Bidder's signing of the contract and furnishing the Performance Security.

10.7 The Bid Security will be forfeited:

(a) If any Bidder withdraws their bid during the period of bid validity (including any subsequent extension) specified by the Bidder on the Bid Form, or

- (b) If a Successful Bidder fails:
- i) To sign the contract within reasonable time and within the period of bid validity, and /or,
 - ii) To furnish Performance Security.

NOTE : Public Sector Undertakings and Small Scale Units registered with NSIC/Directorate of Industries are exempted from submitting bid securities against this tender.

11.0 PERIOD OF VALIDITY OF BIDS:

- 11.1 Bids shall remain valid for 90 days after the date of bid opening prescribed by the Company.
- 11.2 In exceptional circumstances, the Company may solicit the Bidder's consent to an extension of the period of validity. The request and the response thereto shall be made in writing (by Fax or E-mail). A Bidder may refuse the request without forfeiting their Bid Security. A Bidder granting the request will neither be required nor permitted to modify their bid but shall arrange suitable validity extension of their bid security provided under para 10.0 above.

12.0 FORMAT AND SIGNING OF BID:

- 12.1 The Bidder shall prepare three copies of the bid clearly marking original as "ORIGINAL BID" and the rests as "COPY OF BID". In the event of any discrepancy between them, the original shall prevail.
- 12.2 The original and all copies of the bid shall be typed or written in indelible inks and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the contract. The letter of authorization shall be indicated by written power of attorney accompanying the technical bid. The person or persons signing the bid shall initial all pages of the bid, except for unamended printed literature.
- 12.3 The bid should contain no interlineation, white fluid erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such correction shall be initialed by the person(s) signing the bid. Any bid not meeting this requirement shall be liable for rejection.

C. SUBMISSION OF BIDS:

13.0 SEALING AND MARKING OF BIDS:

- 13.1 The tender is being processed according to a single stage – composite bid procedure. A single offer should be submitted in triplicate (One original and 2 copies) containing Technical as well as commercial details including the rates as per the Price Schedule Format provided herein.
- 13.2 The Bidder shall seal the original and each copy of the bid duly marking as "ORIGINAL" and "COPY".
- 13.3 The cover containing the Bid (Original and 2 copies) should be sealed, superscribing the following on the right hand top corner of the envelope.

- (i) Tender No. : -----
- (ii) Bid closing date : -----
- (iii) Bidder's name : -----

- 13.4 The offer should contain complete specifications, details of services and equipment/accessories offered together with other relevant literature/catalogues of the equipment offered. The Bid Security mentioned in para 10.0 should be enclosed with the Bid.
- 13.5 Annexure – A and Annexure – B of Section – VI indicating the CIF values therein should be enclosed with the offer.
- 13.6 All the conditions of the contract to be made with the successful bidder are given in various Sections of this document. Bidders are requested to state their compliance/non-compliance to each clause as per **PROFORMA – I** of Section – X and the same should be enclosed with the bid.
- 13.7 Timely delivery of the bids is the responsibility of the Bidders. Bidders should send their bids as far as possible by Registered Post or by Courier Services. Company shall not be responsible for any postal delay/transit loss.
- 13.8 Cable/ Fax/E-mail/ Telephonic offers will not be accepted.

14.0 INDIAN AGENTS

Foreign Bidders are requested to clearly indicate in their quotation whether they have an agent in India. If so, the bidders should furnish the name and address of their agents and state clearly whether these agents are authorized to receive any commission against the contract. The rate of the commission should be indicated, which would be payable in non-convertible Indian currency according to Import Trade Regulation of India. Unless otherwise specified, it will be assumed that agency commission is not involved in the particular bid. Further, Bidders are requested to quote directly and not through their agents in India. Bids received from agents on behalf of their Principals will be rejected.

15.0 DEADLINE FOR SUBMISSION OF BIDS :

Bids must be received by the Company at the address specified in the Forwarding Letter not later than the bid closing time and date mentioned in the letter.

16.0 LATE BIDS:

Any Bid received by the Company after the deadline for submission of bids prescribed by the Company shall be rejected.

17.0 MODIFICATION AND WITHDRAWAL OF BIDS :

- 17.1 The Bidder, after submission of bid, may modify or withdraw its bid by written notice prior to bid closing.
- 17.2 The Bidder's modification or withdrawal notice shall be prepared sealed, marked and despatched in accordance with the provisions of para 13.0. A withdrawal notice may also be sent by fax but followed by a signed confirmation copy, postmarked not later than the deadline for submission of bids.
- 17.3 No bid can be modified subsequent to the deadline for submission of bids.
- 17.4 No bid may be withdrawn in the interval between the deadline for submission of bids and the expiry of the period of bid validity specified by the Bidder on the Bid Form. Withdrawal of a bid during this interval shall result in the Bidder's forfeiture of its Bid Security.

18.0 BID OPENING AND EVALUATION

- 18.1 Company will open the Bids, including submission(s) made pursuant to para 17.0, in the presence of Bidder's representatives who choose to attend at the date, time and place mentioned in the Forwarding Letter. However, the Bidder's representative must produce an authorized letter from the bidder at the time of opening of tenders. Unless this Letter is presented, the representative will not be allowed to attend the opening of tenders. The Bidders' representatives who are allowed to attend the bid opening shall sign in a register evidencing their attendance. Only one representative against each bid will be allowed to attend.
- 18.2 Bid (if any) for which an acceptable notice of withdrawal has been received pursuant to para 17.0 shall not be opened. On opening the remaining bids Company will examine them to determine whether the same are complete, requisite Bid Securities have been furnished, documents have been properly signed and the bids are generally in order.
- 18.3 At bid opening, Company will announce the Bidders' names, written notifications of bid modifications or withdrawal, if any, furnishing of requisite Bid Security, rates/costs quoted and such other details as the Company may consider appropriate.
- 18.4 Company shall prepare, for its own records, minutes of bid opening including the information disclosed to those present in accordance with the sub-para 18.2.
- 18.5 To facilitate examination, evaluation and comparison of bids the Company may, at its discretion, ask the Bidder for clarifications of its bid. The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.
- 18.6 Prior to detailed evaluation, the Company will determine the substantial responsiveness of each bid to the Bidding Documents. For this purpose, a substantially responsive bid is one that conforms to all the terms and conditions of the Bidding Document without material deviations. The Company's determination of bid's responsiveness is to be based on the contents of the Bid itself without recourse to any extrinsic evidence.
- 18.7 A Bid determined as not substantially responsive will be rejected by the Company and can not subsequently be made responsive by the Bidder through correction of the non-conformity.
- 18.8 The Company may waive minor informality or nonconformity or irregularity on a bid that does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.
- 18.9 The Company will examine the Priced Bids to determine whether they are complete, any computational errors have been made, required sureties have been furnished, the documents have been properly signed, and the bids are generally in order.
- 18.10 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price (that is obtained by multiplying the unit price and quantity) the unit price shall prevail and the total price shall be corrected accordingly. If any Bidder does not accept the correction of the errors, his bid will be rejected. If there is a discrepancy between words, and figures, the amount in words will prevail.

19.0 CONVERSION TO SINGLE CURRENCY:

While evaluating the bids, the closing rate of exchange declared by State Bank of India and prevailing on the day prior to priced bid opening will be taken into account for conversion of foreign currency into Indian Rupees. Where the time lag between the opening of the priced bids and final decision exceeds three months, the rate of exchange prevailing on the date prior to the date of final decision will be adopted for conversion.

20.0 EVALUATION AND COMPARISON OF BIDS :

The Company will evaluate the cost details quoted by the technically qualified bidders and compare the bids to ascertain their inter-se-ranking as per Bid Evaluation Criteria (section-X) of the tender document.

21.0 LOADING OF FOREIGN EXCHANGE:

There would be no loading of foreign exchange for deciding the inter-se- ranking of domestic bidders.

22.0 EXCHANGE RATE RISK:

Since Indian bidders are now permitted to quote in any currency and also receive payments in that currency, Company will not compensate for any exchange rate fluctuations in respect of the services.

23.0 REPARTRIATION OF RUPEE COST:

In respect of foreign parties rupee payments made on the basis of the accepted rupee component of their bid, would not be repatriable by them. The Company would incorporate a condition to this effect in the Contract.

24.0 CONTACTING THE COMPANY :

24.1 Except as otherwise provided in para 18.0 above, no Bidder shall contact Company on any matter relating to its bid, from the time of the bid opening to the time the Contract is awarded.

24.2 An effort by a Bidder to influence the Company officials in bid evaluation, bid comparison or Contract award decisions, may result in rejection of their bid.

D. AWARD OF CONTRACT

25.0 AWARD CRITERIA:

The Company will award the Contract to the Contractor whose bid has been determined to be substantially responsive and has been determined as the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

26.0 COMPANY'S RIGHT TO ACCEPT OR REJECT ANY BID:

Company reserves the right to accept any bid and to reject any or all bids.

27.0 NOTIFICATION OF AWARD:

27.1 Prior to the expiry of the period of bid validity or extended validity, the Company will notify the successful Bidder in writing by registered letter or by fax (to be confirmed in writing by registered / courier letter) that his bid has been accepted.

27.2 The notification of award will constitute formation of the Contract.

28.0 SIGNING OF CONTRACT:

28.1 At the same time as the Company notifies the successful Bidder that their Bid has been accepted, the Company will either invite the bidder for signing of the agreement or send the Contract Form provided in the bidding document. The form will be accompanied by the General & Special Conditions of Contract, technical specifications, schedules of rates and all other relevant documents/agreements between the parties.

28.2 Within 7 days of receipt of the final contract document, the successful Bidder shall sign and date the contract and return the same to the Company.

29.0 PERFORMANCE SECURITY :

29.1 Within 30 days of receipt of notification of award from the Company, the successful Bidder shall furnish the performance security for an amount specified in the Forwarding Letter in the performance Security Form as provided in the Bidding Document (Ref. Section – VIII) or in any other form acceptable to the Company from a Bank located in India. The performance security shall be payable to Company as compensation for any loss resulting from Contractor's failure to fulfil its obligations under the Contract.

29.2 The performance security specified above must be valid for three (03) months beyond the expiry date of the contract to cover the warranty obligations indicated in para 6.0 of Section-III hereof and to lodge claim, if any. The same will be discharged by Company not later than 30 days following its expiry. In the event of extension of contract, subsequent to expiry of validity of the original contract period, Contractor shall have to enhance the value of the performance security to cover 10% of the contract value for the extended period and also to extend the validity of the performance security accordingly.

29.3 Failure of the successful bidder to comply with the requirements of para 28.0 or 29.0 above shall constitute sufficient grounds for annulment of the award and forfeiture of the Bid Security. In such an event, the Company may award the contract to the next lowest evaluated Bidder or call for new bid or negotiate with the next lowest bidder as the case may be.

INVOCATION OF PERFORMANCE BANK GUARANTEE

29.4 In the event of Contractor failing to honour any of the commitments entered into under the contract and/or in respect of any amount due from Contractor to Company, Company shall have an unconditional option under the guarantee to invoke the Performance Bank Guarantee and claim the amount from Bank.

29.5 Company will have the right to invoke the Performance Bank Guarantee in case the Contractor fails to mobilise the Equipment, tools and personnel etc. within the stipulated period irrespective of any reasons whatsoever.

(END OF SECTION – II)

SECTION – III

GENERAL CONDITIONS OF CONTRACT

1.0 DEFINITIONS:

1.1 In the contract, the following terms shall be interpreted as indicated below:

- (a) “Contract” means the terms and conditions contained in the document entitled “Charter Hire of Cementing Unit with accessories and crew for Cementing Services” and the attached exhibits. In the event of any conflict between the text of the contract and the exhibits, the text of the Contract shall have precedence over the exhibits.
- (b) “Contractor” means the individual or firm or body incorporated, performing the work under this contract and its executors, successors, administrators and assignees.
- (c) “Company” means OIL INDIA LIMITED (OIL) and its executors, successors, administrators and assignees.
- (d) The “Work” means each and every activity required for the successful performance of the services described under this contract.
- (e) “Operating Area” means those areas on-shore in India in which company or its affiliated company may from time to time be entitled to execute such services/operations.
- (f) “Site” means the land and other places, on, under, in or through which the works are to be executed by the Contractor and any other land and places provided by the Company for working space or any other purpose as designated hereinafter as forming part of the Site.
- (g) “Contract Price” means the price payable to the Contractor under the contract for the full and proper performance of its contractual obligations.
- (h) “Company's Items” means the equipment, materials and services which are to be provided by Company/Contractor at the expense of Company.
- (i) “Contractor's Items” means the equipment, materials and services which are to be provided by Contractor/Company at the expense of the Contractor.
- (j) “Contractor's personnel” means the personnel as required to be provided by Contractor from time to time for execution of this contract.
- (k) “Company Representative” means the person or persons appointed and approved in writing from time to time by the Company to act on its behalf for overall co-ordination and project management at site.
- (l) “Gross Negligence” as used in this contract shall mean “willful and wanton disregard for harmful, avoidable and foreseeable consequence”.

2.0 MOBILISATION, EFFECTIVE DATE, COMMENCEMENT DATE AND DURATION OF CONTRACT:

- 2.1 The contract shall become effective as of the date Company notifies the successful bidder in writing (through Letter of Intent) that they have been awarded the contract consequent upon acceptance of their offer by Company. The date and time of completion of mobilisation for this contract will be reckoned from the date and time when the materials, equipment and services to be provided by the Contractor are positioned at the designated drilling location and made ready as certified by Company to start Cementing operations.
- 2.2 Contractor to commence mobilisation activities immediately upon receipt of notification of award of Contract and complete **mobilisation within 30 Days** from the date of LOI issued by Company at the designated well site. Mobilisation of resources by the Contractor in the first well against this contract is expected to be around last part of September' 2009.
- 2.3 The date on which the mobilisation is completed will be treated as Commencement date.
- 2.4 The Contract shall remain in force for an initial period of three (3) months from the date of commencement with a provision for extension, at the option of the Company, for a further period of three (3) months or less at the same rates, terms and conditions. In the event of expiry of contractual duration (including extension) when drilling operation in a particular well is in progress, it will be obligatory on the part of the Contractor to continue services till completion of all Cementation jobs in that particular well at the same rates, terms and conditions.
- 2.5 Further extension of the contract, if any, will be on the rates, terms and conditions to be mutually agreed by the parties.

3.0 GENERAL OBLIGATIONS OF CONTRACTOR:

Contractor shall, in accordance with and subject to the terms and conditions of the Contract:

- 3.1 Perform the work described in the Scope of Work/Terms of Reference (Section - V) in most economic and cost effective manner accepted in accordance with international oilfield practice.
- 3.2 Contractor shall give or provide all necessary supervision during the performance of the services and as long thereafter as Company may consider necessary for the proper fulfilling of Contractor's obligations under the contract.
- 3.3 Contractor at their cost shall arrange movement of their personnel and clearance of equipment, spare parts, consumables etc. from customs and port authorities in India, if required. Company will however provide Recommendatory Letters, if requested, for issue of Essentiality Certificate to avail concessional Customs Duty against this tender/contract, as the area of operation qualifies for concessional/NIL duty. Responsibility of securing Essentiality Certificate, if applicable, and clearance of goods will rest solely on the Contractor. Any demurrage in this process will be at the Contractor's cost.
- 3.4 Contractor shall arrange for transportation of their equipment / tools / spares / consumables from Contractor's yard / site to Company's site and back at their own expenses.
- 3.5 Contractor shall keep their equipment in good working order and shall begin the work with sufficient spares for the full operation period.

- 3.6 Contractor shall furnish to Company the details of all equipment, duration of deployment of each equipment, spares and consumable to be brought into India. These details shall include year of manufacture, date of purchase, name of manufacturer/supplier, make, model, serial number, specifications, country of origin, duration of deployment etc.
- 3.7 Contractor shall furnish full particulars of crews e.g. name, nationality, passport number (for expatriate, if any), date and place of issue and expiry date of passport, father's name, date and place of birth, designation etc., before the start of activities.
- 3.8 Contractor will be fully responsible for any unauthorised imports or wrong declaration of goods and will have to pay the penalty and other consequences as levied by the port/ customs authorities for such unauthorised imports.
- 3.9 Contractor shall bear all expenses on account of repair/replacement of all their equipment etc. consequent upon any damage/loss/non-performance during the course of operation.
- 3.10 Contractor shall be bound by laws and regulations of Government of India and other statutory bodies in India in respect of use of wireless sets, maps, charts, entry regulations, security restrictions, foreign exchange, work permits & customs etc.
- 3.11 Contractor shall bear all taxes including road tax, entry tax and insurance premiums for their vehicles brought to India or purchased in India including registration fees, fitness fees and road/goods taxes etc.
- 3.12 Contractor shall bear all costs for transportation of their equipment and other materials.
- 3.13 Contractor shall use to the fullest extent all facilities available in India provided they are technically / operationally acceptable.
- 3.14 Contractor shall follow its own safety rules, in addition to rules prescribed under Indian Laws in this respect.
- 3.15 Contractor shall arrange all entry permits, inner line permits etc. wherever required, in respect of its staff deployed under the contract. Company shall, however, issue necessary letters only to Contractor for the same. Normally Contractor will request for issue of such letters at least seven working days in advance.
- 3.16 Perform all other obligations, work and services which are required by the terms of this contract or which reasonably can be implied from such terms as being necessary for the successful and timely completion of the work.
- 3.17 Contractor shall be deemed to have satisfied himself before submitting his bid as to the correctness and sufficiency of its bid for the services required and of the rates and prices quoted, which rates and prices shall, except in so far as otherwise provided, cover all its obligations under the contract.

4.0 GENERAL OBLIGATIONS OF THE COMPANY:

Company shall, in accordance with and subject to the terms and conditions of the contract:

- 4.1 Pay Contractor in accordance with terms and conditions of the contract.
- 4.2 Allow Contractor and their personnel access, subject to normal security and safety procedures, to all areas as required for orderly performance of the work.

- 4.3 The company shall provide, if required, all necessary documents for clearance from Govt. of India or States or their departments or undertakings and will extend all possible assistance and necessary help to the Contractor. The Contractor will give Company seven clear working days for arranging such documents/certificates, provided all the documents submitted by the Contractor are in order.
- 4.4 Company shall assist Contractor for arranging necessary entry permits, if required, for personnel belonging to Contractor and its subcontractors engaged with the consent of Company, provided Contractor gives full particulars of such personnel in advance. However, the primary obligation in this regard shall be on Contractor and Company shall provide necessary documents.
- 4.5 Company shall organise all possible help from local government/administration to Contractor's personnel and equipment in case of natural disasters, civil disturbances and epidemics.
- 4.6 Perform all other obligations of the Company required by the terms of the contract.
- 5.0 PERSONNEL TO BE DEPLOYED BY THE CONTRACTOR :
- 5.1 Contractor warrants that it shall provide competent, qualified and sufficiently experienced personnel to perform the work correctly and efficiently.
- 5.2 The Contractor should ensure that their personnel observe applicable Company and statutory safety requirement. Upon Company's written request, contractor, entirely at its own expense, shall remove immediately, any personnel of the Contractor determined by the Company to be unsuitable and shall promptly replace such personnel with personnel acceptable to the Company.
- 5.3 The Contractor shall be solely responsible throughout the period of the contract for providing all requirements of their personnel including but not limited to, their transportation to & from their base up to Company's drilling locations, enroute/ local boarding, lodging & medical attention etc. Company shall have no responsibility or liability in this regard.
- 5.4 Company will provided food, accommodation and available medical facilities free of cost at well site during operation.
- 5.5 Contractor's key personnel shall be fluent in English language (both writing and speaking).
- 6.0 WARRANTY AND REMEDY OF DEFECTS :
- 6.1 Contractor warrants that it shall perform the work in a professional manner and in accordance with the highest degree of quality, efficiency, and with the state of the art technology/ inspection services and in conformity with all specifications, standards and drawings set forth or referred to in the Technical Specifications. They should comply with the instructions and guidance, which Company may give to the Contractor from time to time during execution.
- 6.2 Should Company discover at any time during the execution of the Contract or within one months after completion of the operations that the work carried out by the Contractor does not conform to the foregoing warranty, Contractor shall after receipt of notice from Company, promptly perform all corrective work required to make the services conform to the Warranty. Such corrective work shall be performed entirely at contractor's own expenses. If such corrective work is not performed within a reasonable time, the Company, at its option, may have such remedial work carried out by others and charge the cost thereof to Contractor which the Contractor must pay promptly. In case Contractor fails to perform remedial work, the performance security shall be forfeited.

7.0 CONFIDENTIALITY, USE OF CONTRACT DOCUMENTS AND INFORMATION:

- 7.1 Contractor shall not, without Company's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing pattern, sample or information furnished by or on behalf of Company in connection therewith, to any person other than a person employed by Contractor in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far, as may be necessary for purposes of such performance.
- 7.2 Contractor shall not, without Company's prior written consent, make use of any document or information except for purposes of performing the contract.
- 7.3 Any document supplied to the Contractor in relation to the contract other than the Contract itself remain the property of Company and shall be returned (in all copies) to Company on completion of Contractor's performance under the Contract if so required by Company.

8.0 TAXES, DUTIES AND LEVIES:

- 8.1 The prices/rates to be quoted by the bidders must be inclusive Personal tax, Corporate tax, Service tax, Entry tax, Sales tax / Excise duty and VAT on local purchases made by the Contractor as per tariff / rates applicable on the date of submission of bid. Only R&D Cess, if applicable, shall be borne by the Company. However, maintenance of proper records, submission of returns and all other statutory obligations under such tax laws will be entirely the responsibility of the Contractor.
- 8.2 This particular tender is floated for availing services for the purpose of Petroleum Exploration in India in custom duty free areas (NELP Blocks as well as in old ML areas of OIL INDIA LIMITED for which licenses have been issued prior to 01.04.1999). Therefore, this contract will qualify for nil/concessional customs duty towards any import against this contract. Hence, OIL INDIA LIMITED will issue any Recommendatory Letter on specific request upon furnishing the requisite documents to enable the Contractor to obtain necessary Essentiality Certificates from DGH. Payment of port rent, demurrage etc. and clearance of goods through Indian Customs authority will exclusively rest on the Contractor.
- 8.3 Contractor shall be responsible for payment of personal taxes, if any, for all the personnel deployed by them for performance of this contract.
- 8.4 The Contractor shall furnish to the Company, if and when called upon to do so, relevant statement of accounts or any other information pertaining to work done under this contract for submitting the same to the Tax authorities, on specific request from them. Contractor shall be responsible for preparing and filing the return of income etc. within the prescribed time limit to the appropriate authority.
- 8.5 Prior to start of operations under the contract, the Contractor shall furnish the Company with the necessary documents, as asked for by the Company and/ or any other information pertaining to the contract, which may be required to be submitted to the Income Tax authorities at the time of obtaining "No Objection Certificate" for releasing payments to the Contractor.
- 8.6 Tax clearance certificate for personnel and corporate taxes shall be obtained by the Contractor from the appropriate Indian Tax authorities and furnished to Company within 6 months of the expiry of the tenure of the contract or such extended time as the Company may allow in this regard.

- 8.7 Corporate income tax will be deducted at source from the invoice at the specified rate of income tax as per the provisions of Indian Income Tax Act as may be in force from time to time.
- 8.8 Corporate and personnel taxes on Contractor shall be the liability of the Contractor and the Company shall not assume any responsibility on this account.
- 8.9 All local taxes, levies and duties, sales tax, octroi, etc. on purchases and sales made by Contractor shall be borne by the Contractor. Only R&D Cess, applicable if any against this contract will be to Company's account.
- 9.0 SUBSEQUENTLY ENACTED LAWS :
- Subsequent to the date of technical bid opening if there is a change in or enactment of any Indian law which results in an additional cost or reduction in cost under the Contract to Contractor, such additional cost shall be reimbursed by Company to Contractor on submission of documentary evidence that the Contractor has duly borne the additional implication as envisaged under the said law or such reduction in cost shall be refunded by the Contractor to Company as the case may be.
- 10.0 INSURANCE :
- 10.1 The Contractor shall arrange insurance to cover all risks in respect of personnel, materials and equipment belonging to the Contractor or its subcontractor during the currency of the contract.
- 10.2 Contractor shall at all time during the currency of the contract provide, pay for and maintain the following insurance amongst others:
- a) Workmen compensation insurance as required by the laws of the country of origin of the employee.
 - b) Employer's Liability Insurance as required by law in the country of origin of employee.
 - c) General Public Liability Insurance covering liabilities including contractual liability for bodily injury, including death of persons, and liabilities for damage of property. This insurance must cover all operations of Contractor required to fulfil the provisions under this contract.
 - d) Contractor's equipment used for execution of the work hereunder shall have an insurance cover with a suitable limit (as per international standards).
 - e) Automobile Public Liability Insurance covering owned, non-owned and hired automobiles used in the performance of the work hereunder, with bodily injury limits and property damage limits as governed by Indian Insurance regulations.
 - f) Public Liability Insurance as required under Public Liability Insurance Act 1991.
- 10.3 Contractor shall obtain additional insurance or revise the limits of existing insurance as per Company's request in which case additional cost shall be to Company's account, provided such coverage is permissible under Indian Insurance Regulation.
- 10.4 Any deductible set forth in any of the above insurance shall be borne by Contractor.
- 10.5 Contractor shall furnish to Company prior to commencement date, certificates of all its insurance policies covering the risks mentioned above.

- 10.6 If any of the above policies expire or are cancelled during the term of this contract and Contractor fails for any reason to renew such policies, then the Company will renew/replace same and charge the cost thereof to Contractor. Should there be a lapse in any insurance required to be carried out by the Contractor for any reason whatsoever, loss/damage claims resulting therefrom shall be to the sole account of Contractor.
- 10.7 Contractor shall require all of his sub-Contractor to provide such of the foregoing insurance coverage as Contractor is obliged to provide under this Contract and inform the Company about the coverage prior to the commencement of agreements with its sub-Contractors.
- 10.8 All insurance taken out by Contractor or his sub-Contractor shall be endorsed to provide that the underwriters waive their rights of recourse on the Company.
- 11.0 CHANGES:
- 11.1 During the performance of the work, Company may make a change in the work within the general scope of this Contract including, but not limited to, changes in methodology, and minor additions to or deletions from the work to be performed. Contractor shall perform the work as changed. Changes of this nature will be affected by written order (Change order) by the Company.
- 11.2 If any change result in an increase in compensation due to Contractor or in a credit due to Company, Contractor shall submit to Company an estimate of the amount of such compensation or credit in a form prescribed by Company. Such estimates shall be based on the rates shown in the Schedule of Rates (Section - VI). Upon review of Contractor's estimate, Company shall establish and set forth in the Change Order the amount of the compensation or credit for the change or a basis for determining a reasonable compensation or credit for the change. If Contractor disagrees with compensation or credit set forth in the Change Order, Contractor shall nevertheless perform the work as changed, and the parties will resolve the dispute in accordance with Clause 14.0 hereunder. Contractor's performance of the work as changed will not prejudice Contractor's request for additional compensation for work performed under the Change Order.
- 12.0 FORCE MAJEURE :
- 12.1 In the event of either party being rendered unable by 'Force Majeure' to perform any obligation required to be performed by them under the contract, the relative obligation of the party affected by such "Force Majeure" will stand suspended as provided herein. The word "Force Majeure" as employed herein shall mean acts of God, war, revolt, agitation, strikes, riot, fire, flood, sabotage, civil commotion, road barricade (but not due to interference of employment problem of the Contractor) and any other cause, whether of kind herein enumerated or otherwise which are not within the control of the party to the contract and which renders performance of the contract by the said party impossible.
- 12.2 Upon occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing within Seventy Two (72) hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.
- 12.3 Should "force majeure" condition as stated above occurs and should the same be notified within seventy two (72) hours after its occurrence, either party will have the right to terminate the contract if such "force majeure" condition continues beyond ten (10) successive days with prior written notice. Should either party decide not to terminate the contract even under such condition, no payment whatsoever would apply after expiry of ten (10) days period unless otherwise agreed to, till the situation so persists.

13.0 TERMINATION :

13.1 TERMINATION ON EXPIRY OF THE TERMS (DURATION)

The contract shall be deemed to be automatically terminated on the expiry of duration of the contract (or extension, if any, thereof).

13.2 TERMINATION ON ACCOUNT OF FORCE MAJEURE :

Either party shall have the right to terminate the Contract on account of Force Majeure as set forth in Article 12.0.

13.3 TERMINATION ON ACCOUNT OF INSOLVENCY :

In the event that the Contractor at any time during the term of the Contract, becomes insolvent or makes a voluntary assignment of its assets for the benefit of creditors or is adjudged bankrupt, then the Company shall, by a notice in writing have the right to terminate the Contract and all the Contractor's rights and privileges hereunder, shall stand terminated forthwith.

13.4 TERMINATION FOR UNSATISFACTORY PERFORMANCE :

If the Company considers that, the performance of the Contractor is unsatisfactory, or not upto the expected standard, the Company shall notify the Contractor in writing and specify in details the cause of the dissatisfaction. The Company shall have the option to terminate the Contract by giving 15 days notice in writing to the Contractor, if Contractor fails to comply with the requisitions contained in the said written notice issued by the Company,

13.5 TERMINATION DUE TO CHANGE OF OWNERSHIP & ASSIGNMENT :

In case the Contractor's rights and / or obligations under the Contract and/or the Contractor's rights, title and interest to the equipment/material, are transferred or assigned without the Company's consent, the Company may at its absolute discretion, terminate the Contract.

13.6 CONSEQUENCES OF TERMINATION :

In all cases of termination herein set forth, the relative obligations of the parties to the contract shall be limited to the period upto the date of termination. Notwithstanding the termination of the Contract, the parties shall continue to be bound by the provisions of the Contract that reasonably require some action or forbearance after such termination.

13.7 If at any time during the term of the Contract, breakdown of Contractor's equipment results in Contractors being unable to perform their obligations hereunder for a period of 15 successive days (not including Force majeure delay or breakdown of Contractor's equipment caused by a well blow-out or the consequences thereof) Company, at its option, may terminate the Contract in its entirety without any further right or obligation on the part of the Company, except for the payment of money then due. No notice shall be served by the Company under the condition stated above.

13.8 Upon termination of the Contract, Contractor shall return to Company all of Company's items, which are at the time in Contractor's possession.

13.9 Notwithstanding any provisions herein to the contrary, the Contract may be terminated at any time by the Company on giving 15 (fifteen) days written notice to the Contractor due to any other reason not covered under the above clause from 13.1 to 13.7 and in the event of such termination the Company shall not be liable to pay any cost or damage to the Contractor except for payment for services, personnel charges and other charges as per the Contract up to the date of termination.

13.10 In the event of termination of contract, Company will issue Notice of termination of the contract with date or event after which the contract will be terminated. The contract shall then stand terminated and the Contractor shall demobilise their personnel & materials.

14.0 SETTLEMENT OF DISPUTES AND ARBITRATION:

14.1 All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of the contract or the breach thereof shall be settled by arbitration in accordance with the Rules of Indian Arbitration and Conciliation Act, 1996. The venue of arbitration will be Jodhpur, Rajasthan or New Delhi. The award made in pursuance thereof shall be binding on the parties.

15.0 NOTICES:

15.1 Any notice given by one party to other, pursuant to the Contract shall be sent in writing or by Fax or E-mail and confirmed in writing to the applicable address specified below :

COMPANY
OIL INDIA LIMITED
12, OLD RESIDENCY ROAD
JODHPUR - 342011
RAJASTHAN (INDIA)
Fax No. 0291- 2431689
Email – mat_rp@oilindia.in

CONTRACTOR

15.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.

16.0 SUBCONTRACTING:

16.1 Contractor shall not subcontract or assign, in whole or in part, its obligations to perform under this contract, except with Company's prior written consent.

17.0 MISCELLANEOUS PROVISIONS:

17.1 (a) Contractor shall give notices and pay all fees at their own cost required to be given or paid by any National or State Statute, Ordinance, or other Law or any regulation, or bye-law of any local or other duly constituted authority as may be in force from time to time in India, in relation to the performance of the services and by the rules & regulations of all public bodies and companies whose property or rights are affected or may be affected in any way by the services.

(b) Contractor shall conform in all respects with the provisions of any Statute, Ordinance of Law as aforesaid and the regulations or bye-law of any local or other duly constituted authority which may be applicable to the services and with such rules and regulation public bodies and Companies as aforesaid and shall keep Company indemnified against all penalties and liability of every kind for breach of any such Statute, Ordinance or Law, regulation or bye-law.

- 17.2 During the tenure of the Contract, Contractor shall keep the site where the services are being performed reasonably free from all unnecessary obstruction and shall store or dispose of any equipment and surplus materials and clear away and remove from the site any wreckage, rubbish or temporary works no longer required. On the completion of the services, Contractor shall clear away and remove from the site any surplus materials, rubbish or temporary works of every kind and leave the whole of the site clean and in workmanlike condition to the satisfaction of the Company.
- 17.3 Key personnel can not be changed during the tenure of the Contract except due to sickness/death/resignation of the personnel in which case the replaced person should have equal experience and qualification, which will be again subject to approval, by the Company.
- 18.0 LIQUIDATED DAMAGES FOR DEFAULT IN TIMELY MOBILISATION:
- 18.1 In the event of the Contractor's default in timely mobilisation for commencement of operations within the stipulated period, the Contractor shall be liable to pay liquidated damages at the rate of 0.5% of the total estimated contract value for delay of each week or part thereof, subject to maximum of 7.5%. Liquidated Damages will be reckoned from the date after expiry of the scheduled mobilisation period till the date of commencement of the contract as defined in clause No.2.0 of Section - III.
- 18.2 The Company also reserves the right to cancel the Contract without any compensation whatsoever in case of failure to mobilise and commence operation within the stipulated period.

(END OF SECTION – III)

SECTION – IV

SPECIAL CONDITIONS OF CONTRACT

1.0 ASSOCIATION OF COMPANY'S PERSONNEL

- 1.1 Company may depute more than one representative to act on its behalf for overall co-ordination and operational management at location. Company's representative shall have the authority to order any changes in the scope of work to the extent so authorised and notified by the Company in writing. He shall liaise with the Contractor, monitor the progress so as to ensure the timely completion of the jobs. He shall also have the authority to oversee the execution of jobs by the Contractor and to ensure compliance of provisions of the contract.
- 1.2 There shall be free access to all the equipment of the Contractor during operations and idle time by Company's representatives for the purpose of observing / inspecting the operations performed by Contractor in order to judge whether, in Company's opinion, Contractor is complying with the provisions of the contract.

2.0 PROVISION OF PERSONNEL AND FACILITIES

- 2.1 The Contractor shall provide qualified and experienced personnel for the services as per provision of this contract. All the personnel offered must have adequate experience (Ref. Section - V) in respective field and should be fluent in English language. On Company's request, Contractor shall remove and replace at their own expenses, any of their personnel whose presence is considered undesirable in the opinion of Company. The Contractor shall provide the supporting staff at their own expenses. Documentary evidence, identity cards etc. shall be submitted by the Contractor in support of the bio-data against which Company's representative will certify completeness of mobilisation of the Contractor for start of operations.
- 2.2 The Contractor shall be responsible for, and shall provide for all requirements of their personnel, and of their sub-contractor, if any, including but not limited to their insurance, housing, medical services, messing, transportation (both air and land transportation), vacation, salaries and all amenities, termination payment and all immigration requirement and taxes, if any, payable in India or outside at no charge to the Company.
- 2.3 The Contractor's representative shall have all the power requisite for performance of the work. He shall liaise with the Company's representative for the proper co-ordination and timely completion of the job and on any other matters pertaining to the job.
- 2.4 During cementing operations, Company shall provide food, accommodation and available preliminary medical facilities for Contractor's Engineers free of charge at well site.
- 2.5 Contractor will arrange transportation of their equipment/tools and personnel to and from well site at their cost.

3.0 LABOUR

- 3.1 The recruitment of un-skilled labour, if any will have to be met from the areas of operation and wages will be according to the rates prevalent at the time which can be obtained from the district authorities of the area. The facilities to be given to the labourers should conform to the provisions of labour laws as per Contract Labour (Regulation & Abolition) Act, 1970.

4.0 LIABILITY

- 4.1 Except as otherwise expressly provided, neither Company nor its servants, agents, nominees, Contractors, or subcontractors shall have any liability or responsibility whatsoever to whomsoever for loss of or damage to the equipment and/or loss of or damage to the property of the Contractor and or his Contractors or subcontractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Company and/or its servants, agents, nominees, assignees, Contractors and subcontractors. The Contractor shall protect, defend, indemnify and hold harmless Company from and against such loss or damage and any suit, claim or expense resulting therefrom.
- 4.2 Neither Company nor its servants, agents, nominees, assignees, Contractors, subcontractors shall have any liability or responsibility whatsoever for injury to, illness, or death of any employee of the Contractor and / or of its Contractors or subcontractors irrespective of how such injury, illness or death is caused and even if caused by the negligence of Company and/or its servants, agents, nominees, assignees, contractors and subcontractors. Contractor shall protect, defend, indemnify and hold harmless Company from and against such liabilities and any suit, claim or expense resulting there from.
- 4.3 The Contractor hereby agrees to waive its right to recourse and further agrees to cause his underwriters to waive their right of subrogation against Company and/or its underwriters, servants, agents, nominees, assignees, contractors and subcontractors for loss or damage to the equipment of the Contractor and/or its subcontractors when such loss or damage or liabilities arises out of or in connection with the performance of the Contract.
- 4.4 The Contractor hereby further agrees to waive its right of recourse and agrees to cause its under writers to waive their right of subrogation against Company and/or its underwriters, servants, agents, nominees, assignees, contractors and subcontractors for injury to, illness or death of any employee of the contractor and of its contractors, subcontractors and / or their employees when such injury, illness or death arises out of or in connection with the performance of the Contract.
- 4.5 Except as otherwise expressly provided, neither Contractor nor its servants, agents, nominees, contractors or subcontractors shall have any liability or responsibility whatsoever to whomsoever for loss of or damage to the equipment and/or loss or damage to the property of the Company and/or his contractors or subcontractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Contractor and / or its servants, agents, nominees, assignees, contractors and subcontractors. The Company shall protect, defend, indemnify and hold harmless Contractor from and against such loss of damage and any suit, claim or expense resulting therefrom.
- 4.6 Neither Contractor nor its servants, agents, nominees, assignees, contractors, subcontractors shall have any liability or responsibility whatsoever to whomsoever or injury to, illness, or death of any employee of the Company and/or of its contractors or subcontractors irrespective of how such injury, illness or death is caused and even if caused by the negligence of contractor and/or its servants, agents, nominees, assignees, contractors and subcontractors Company shall protect, defend indemnify and hold harmless contractor from and against such liabilities and any suit, claim or expense resulting therefrom.
- 4.7 The Company agrees to waive its right of recourse and further agrees to cause its underwriters to waive their right of subrogation against contractor and / or its underwriters, servants, agents, nominees, assignees, contractors and subcontractors for loss or damage to the equipment of Company and/or its contractors or subcontractors when such loss or damage or liabilities arises out of or in connection with the performance of the Contract.

4.8 The Company hereby further agrees to waive its right of recourse and agrees to cause its underwriters to waive their right of subrogation against contractor and / or its underwriters, servant, agents, nominees, assignees, contractors and subcontractors for injury to, illness or death of any employee of the Company and of its contractors, subcontractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the contract.

5.0 CONSEQUENTIAL DAMAGE

5.1 Neither party shall be liable to the other for special, indirect or consequential damages resulting from or arising out of the contract, including but without limitation, to loss of profit or business interruptions, howsoever caused and regardless of whether such loss or damage was caused by the negligence (either sole or concurrent) of either party, its employees, agents or sub-contractors.

6.0 WAIVERS AND AMENDMENTS

6.1 It is fully understood and agreed that none of the terms and conditions of the contract shall be deemed waived or amended by either party unless such waiver or amendment is executed in writing by the duly authorized agents or representatives of such party. The failure of either party to execute any right of termination shall not act as a waiver or amendment of any right of such party provided hereunder.

7.0 PAYMENT & INVOICING PROCEDURE

7.1 Company shall pay to Contractor, during the term of the contract, the amount due calculated according to the rates of payment set and in accordance with other provisions hereof. No other payments shall be due from Company unless specifically provided for in this contract. All payments will be made in accordance with the terms hereinafter described.

7.2 All payments due by Company to Contractor shall be made at Contractor's designated bank. All bank charges will be to Contractor's account.

7.3 Payment of any invoices shall not prejudice the right of Company to question the validity of any charges therein, provided Company within one year after the date of payment shall make and deliver to Contractor written notice of objection to any item or items the validity of which Company questions.

7.4 Contractor will submit six sets of all invoices to Company for processing of payment. Separate invoices for the charges payable under the contract shall be submitted by Contractor for foreign currency and Indian Rupee.

7.5 Contractor shall raise invoice for the lump-sum mobilisation charges when the entire equipment and personnel are ready at sites for starting the job.

7.6 For operating, rental and inter-location move charges etc., Contractor shall raise invoices at the end of each month.

7.7 Payment of invoices, if undisputed shall be made within 30 days of receipt. However, payment of initial two invoices may be delayed by few more days, if RBI's approval is required.

- 7.8 The Company shall within 30 days of receipt of the invoice notify Contractor of any item under dispute, specifying the reasons thereof, in which event, payment of the disputed amount may be withheld until settlement of the dispute, but payment shall be made of any undisputed portion on receipt of RBI's approval (if required). This will not prejudice the Company's right to question the validity of the payment at a later date as envisaged in para 7.3 above.
- 7.9 The acceptance by Contractor of part payment on any billing not paid on or before the due date shall not be deemed a waiver of Contractor's rights in respect of any other billing, the payment of which may then or thereafter be due.
- 7.10 Contractor shall maintain complete and correct records of all information on which Contractor's invoices are based up to 2 (two) years from the date of last invoice. Such records shall be required for making appropriate adjustments or payments by either party in case of subsequent audit query / objection. Any audit conducted by Company of Contractor's records, as provided herein, shall be limited to Company's verification (i) of the accuracy of all charges made by Contractor to Company and (ii) that Contractor is otherwise in compliance with the terms and conditions of this Agreement.

8.0 WITH-HOLDING

- 8.1 Company may with-hold or nullify the whole or any part of the amount due to Contractor on account of subsequently discovered evidence in order to protect Company from loss on account of :
- (a) For non-completion of jobs assigned as per Section-V.
 - (b) Contractor's indebtedness arising out of execution of this contract.
 - (c) Defective work not remedied by Contractor.
 - (d) Claims by sub-contractor of Contractor or others filed or on the basis of reasonable evidence indicating probable filing of such claims against Contractor.
 - (e) Failure of Contractor to pay or provide for the payment of salaries / wages, contributions, unemployment, compensation, taxes or enforced savings with-held from wages etc.
 - (f) Failure of Contractor to pay the cost of removal of unnecessary debris, materials, tools, or machinery.
 - (g) Damage to another Contractor of Company.
 - (h) All claims against Contractor for damages and injuries, and / or for non-payment of bills etc.
 - (i) Any failure by Contractor to fully reimburse Company under any of the indemnification provisions of this contract. If, during the progress of the work Contractor shall allow any indebtedness to accrue for which Company, under any circumstances in the opinion of Company may be primarily or contingently liable or ultimately responsible and Contractor shall, within five days after demand is made by Company, fail to pay and discharge such indebtedness, then Company may during the period for which such indebtedness shall remain unpaid, with-hold from the amounts due to Contractor, a sum equal to the amount of such unpaid indebtedness.
 - (j) With-holding will also be effected on account of the following :
 - i) Garnishee order issued by a Court of Law in India.
 - ii) Income tax deductible at source according to law prevalent from time to time in the country.

- iii) Any obligation of Contractor which by any law prevalent from time to time to be discharged by Company in the event of Contractor's failure to adhere to such laws.
- iv) Any payment due from Contractor in respect of unauthorised imports.

8.1.1 When all the above grounds for with-holding payments shall be removed, payment shall thereafter be made for amounts so with-held.

8.2 Notwithstanding the foregoing, the right of Company to withhold shall be limited to damages, claims and failure on the part of Contractor which is directly / indirectly to some negligent act or omission on the part of Contractor relating to the Contractor's obligation on the Contract.

9.0 SET OFF

Any sum of money due or payable to the Contractor (including Security Deposit refundable to them) under this or any other contract may be appropriated by Oil India Limited and set off against any claim of Oil India Limited (or such other person or persons contracting through Oil India Limited) for payment of a sum of money arising out of this contract or under any other contract made by the Contractor with Oil India Limited (or such other person or persons contracting through Oil India Limited).

10.0 APPLICABLE LAW

10.1 The contract shall be deemed to be a contract made under, governed by and construed in accordance with the laws of India.

10.2 The Contractor shall ensure full compliance of various Indian Laws and Statutory Regulations, to the extent applicable, as stated below, but not limited to, in force from time to time and obtain necessary permits / licenses etc. from appropriate authorities for conducting operations under the Contract :

- a) The Mines Act - as applicable to safety and employment conditions.
- b) The Minimum Wages Act, 1948.
- c) The Oil Mines Regulations, 1984.
- d) The Workmen's Compensation Act, 1923.
- e) The Payment of Wages Act, 1963.
- f) The Payment of Bonus Act., 1965.
- g) The Contract Labour (Regulation & Abolition) Act, 1970 and the rules framed thereunder.
- h) The Employees Pension Scheme, 1995.
- i) The Interstate Migrant Workmen Act., 1979 (Regulation of employment and conditions of service).
- j) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- k) The RST Act.
- l) Service Tax Act.
- m) Customs and Excise Acts and rules framed thereunder

11.0 POLLUTION OR CONTAMINATION

- 11.1 Company agrees that Contractor shall not be responsible for and Company shall indemnify and hold Contractor its agent, servants, officers and employees harmless from any liability, loss, cost or expense for loss or damage from pollution or contamination arising out of or resulting from any of Contractor's services / operations unless such pollution or contamination is caused by Contractor's willful misconduct or gross negligence.
- 11.2 Notwithstanding anything to the contrary contained herein, it is agreed that Company shall release, indemnify and hold Contractor and its Sub-contractors harmless from any and all claims, judgments, losses, expenses and any costs related thereto (including but not limited to Court costs and 'Attorneys fees) for :
- a) Damage to or loss of any reservoir or producing formation
 - b) Damage to or loss of any well
 - c) Any other subsurface damage or loss, and
 - d) Any property damage or loss or personal injury or death arising out of or in connection with a blowout, fire explosion and loss of well control regardless of cause.

12.0 MOBILISATION PERIOD

- 12.1 The successful bidder must be able to mobilise their personnel, cementing unit, all other equipment, tools, spares and all other necessary materials required for carrying out cementing operations within 30 days from the date of issue of LOI by the Company. The services against this contract are tentatively required by end September'2009.
- 12.2 The successful bidder, following award of the contract and mobilization of the crew and equipment, will be required to provide services as and when required as desired by Company in line with the scope of work.

13.0 AREA OF OPERATION

The Company reserves the right to engage the Contractor for Cementing Services under the same rates, terms and conditions anywhere in its oilfields in Rajasthan being operated by Joint Venture / Production sharing Companies where the Company is the Operator in addition to its own fields of operation. OIL also reserves the right to deploy the services on OIL's other operational area during the tenure of the contract with mutually agreed terms as regards to Mobilisation / Demobilisation charges.

(END OF SECTION – IV)

SECTION – V

SCOPE OF WORK / TERMS OF REFERENCE

1.0 INTRODUCTION

This section establishes the scope and schedule for the work to be performed by Contractor and describes references, specifications, instructions, standards and other documents, the specifications for any materials, tools or equipment, which Contractor shall satisfy or adhere to in the performance of the work.

2.0 PREAMBLE

2.1 Rajasthan Project of Oil India Limited (OIL), a Govt. of India Enterprise, is engaged in the exploration and production of natural gas from its Jaisalmer Basin and heavy oil from Bikaner-Nagaur basins of Western Rajasthan, India.

2.2 Presently, OIL plans to extend its exploration activities in the Jaisalmer and Bikaner-Nagaur Basins of Western Rajasthan by drilling few wells.

2.3 The down-hole drilling conditions and geology in the proposed drilling locations are expected to be normal and similar to those of gas fields of Jaisalmer Basin, where 40 wells in the depth range of 1050-4500m and heavy oil field of Baghewala in Bikaner-Nagaur Basin, where 12 wells (630-1400m) have so far been drilled.

3.0 AREA OF OPERATION

3.1 Topography

The proposed area of operation will be based at Jaisalmer, the district headquarters, and is the major town falling within Jaisalmer Basin and Bikaner/Bikampur for Bikaner-Nagaur Basin. The area of operation is a desert (Thar Desert) covered with sand dunes varying in size from a few meters to dunes running in kilometers. The general elevation of the area varies between 80 to 120m above mean sea level.

3.2 Surface Communication

Jaisalmer and Bikaner are two district headquarters and major towns within the proposed operating area. These towns are approachable by Rail, Road and also by air. However, the wells falling within the areas are approachable by road only.

3.3 Brief Geological Information of the area

3.3.1 The area of operation falls in a part of the Great Thar Desert covered with sand dunes of Western Rajasthan. The geological formations expected to be encountered in the proposed wells of Jaisalmer are unconsolidated to semi-consolidated sandstone with clay bands (Recent to Pleistocene) to a depth of about 500m, consolidated sandstone/limestone with clay bands and shale to a depth of about 1000m (Eocene to Palaeocene), about 400m of marl (Upper Cretaceous) below, about 1500m of sandstone and thin shale bands of Goru, Pariwar and Baisakhi/Bedesir (Cretaceous) and about 1200m of Jaisalmer limestone (Middle Jurassic).

The geological formations expected to be encountered in the proposed wells of NELP Blocks are unconsolidated to semi-consolidated sandstone with clay bands (Recent to Pleistocene) to a depth of about 50m, consolidated sandstone/limestone with clay bands and shale to a depth of about 300m (Eocene to Palaeocene), about 300m of Permo-Triassic formation consisting of sandstone, clay and limestone, 500m of carbonate sequence of Cambrian age consisting of dolomite, limestone and clay bands with halite-anhydrite sequences and sandstone/limestone/dolomite of Infra-Cambrian age in the bottom part.

- 3.3.2 **Overburden Gradient v/s Depth** : Normal
- 3.3.3 **Temperature v/s Depth profile** : Geothermal gradient for OIL's gas producing Jaisalmer Field and Baghewala area is in the range of 2-2.2° C/100 m. (average surface temperature varies from 5 – 60 ° C).
- 3.4 **Sub-surface Pressure** : Anticipated sub-surface pressure at the reservoir is expected to be hydrostatic.
- 3.5 **Loss circulation zones:** No severe loss circulation zones have been encountered in the drilled areas of Jaisalmer Basin so far. However, moderate to severe loss circulation zones have been encountered in Hanseran Evaporite Group of Cambrian age in Bikaner-Nagaur Basin.
- 3.6 **No. of Wells & Target Depths (TD)** : A total of about two (2) wells (one exploratory and one developmental) have been planned to be drilled during the contractual period of initial three one months for which the Contractor will be required to provide the Cementing services as per terms and conditions. The target depths (TD) of the wells will be around 2100 mtrs. However, the number of wells may vary and Company's decision in this regard will be final and binding.
- 3.7 **Casing Policy** : The tentative casing/hole policy for the proposed exploratory and development drilling program is shown below.

***CASING POLICY**

Category	No. of wells	Well Depth (m)	Tentative Casing Setting Depths (m)			
			20"	13.3/8"	9.5/8"	5.1/2" / 7"
Exploratory (NELP-II)	1	1950	150	700	1250	1950
Developmental (Jaisalmer ML)	2	2100	--	100	110	2100

* The above is a tentative policy. The setting depths might change depending on hydrocarbon shows and drilling conditions.

4.0 DESCRIPTION OF WORK

The scope of work involved, equipment required as well as expected quantum of jobs to be performed during a period of contract are based on only one rig operation and are furnished in ANNEXURE-I, ANNEXURE – II and ANNEXURE – III respectively in this Section. However, the quantum of jobs may vary depending upon various drilling activities to be taken up by the Company during the course of the contract and need to be attended by the Contractor. The Contractor, following mobilization of crew and equipment, will be required to provide the intended services as desired by Company as per contractual terms.

DETAILS OF SERVICES TO BE PERFORMED BY THE CONTRACTOR

- 1) To provide services on cementing programme, slurry design etc. for exploratory / developmental drilling of oil/gas wells.
- 2) Primary cementing jobs.
- 3) Two stage cementing jobs.
- 4) Cement/Barytes/Bentonite – diesel-gunk etc., plug jobs through drill pipe/tubing.
- 5) BOP Stack testing / LOT
- 6) Casing Test
- 7) To operate cementing/pumping units.
- 8) To maintain and service all equipment belonging to Contractor and thus avoid downtime.
- 9) Any other job normally required to be done by cementing unit
- 10) To carry out relevant API and other tests on cement and additives in the nearest laboratory.
- 11) To perform squeeze job (optional) if required by retrievable packer/cement retainer on mutually agreed terms & conditions.
- 12) Any other jobs generally connected with such services for bringing-in a well to health should be provided by the Contractor when called upon to do so including supply of extra items/equipment/cement additives (on reimbursement basis on mutually agreed terms & conditions).

NOTE : Company will provide Water and HSD as required free of charge for carrying out cementing jobs in the wells.

DETAILS OF EQUIPMENT AND PERSONNEL TO BE DEPLOYED BY CONTRACTOR

1) CEMENTING UNIT :

SPECIFICATIONS :

The cementing unit should be a twin pump high pressure pumping unit suitable for all types of pressure pumping services including but not limited to cementing, stimulation, gravel packing and general pumping services. The unit should be mobile, self driven or trailer mounted with stand-by horse unit, having self contained centrifugal pumps, circulating mixing system, hoppers and feed water pump.

The cementing unit should be complete with but not limited to the following;

- a) The twin-pumping unit must be capable of achieving a maximum pumping pressure of 10,000 PSI and maximum pumping rate of 20 US Barrels per minute.
- b) Prime Mover: The pumping unit should be powered by two diesel engines, each delivering 320 BHP (Minimum). The engines should have self-contained system for air or electric start.
- c) Pumps : Two numbers single acting triplex pumps, having a minimum output of 300 HP each. Pumps should have interchangeable fluid end sizes to vary the maximum rate and pressure output. Piping system on pump unit should allow for;
 - i) Filling of either side of the displacement tank independently of pumping operations.
 - ii) Direct gravity feed to one or both pumps from the displacement tanks or
 - iii) Pressurised feed via centrifugal pressuring pump to one or both of the pumps.
 - iv) Suction feed from the cement mixing system to one or both the pumps, pressurised.

Fluid delivery from the pump to be from the pressurised suction piping through the pump discharge valves and in to a high pressure discharge manifold. One or both the pumps should deliver fluid through the high pressure manifold simultaneously. The high pressure manifold should be rated 10,000 PSI working pressure. The high pressure manifold should have valving to permit one or both the pumps to circulate back to the displacement tank.

- d) Recirculating Cement Mixing System : Recirculating equipment consisting of recirculating mixer used in conjunction with a two compartment, 8-10 bbls. Mixing tub equipped with a turbine agitator in each compartment. Recirculating equipment which uses enhanced high-shearing jet mixing system is also acceptable.
- e) Displacement Tanks : Twin calibrated displacement tanks graduated in 0.5 bbls. increments and holding a maximum of 10 bbls. each for a measured total of 20 bbls.
- f) Central Control Console : All controls should be centrally located on the operating platform of the unit at a control panel. The controls must include;
 - i) All engine functions and diagnostic gauges for engine parameters (Oil pressure, temperature, transmission temperature and pressure).
 - ii) Air actuated controls for all low pressure valve systems.

- iii) Cement mixing controls tied in to the mixing system.
 - iv) Pump rate gauge for each pump with a totaliser.
 - v) Pressure gauges for each pump.
 - vi) Centrifugal hydraulic pressure gauges.
 - vii) All safety control system.
- g) Safety System : The cementing unit must incorporate adequate safety systems to avoid damage to the equipment or personal injury in the case of over pressurisation.
 - h) Density to be recorded by Radioactive Densitometer utilising a low capacity cesium 137 or equivalent source.
 - i) Full sensor package for recording pumping parameters including rate, pressure and density. All parameters to be centrally recorded on the PACR, which should allow parameters to be viewed on a digital display and also record them on magnetic tape.
 - j) 2", 6000/5000 PSI high pressure line with necessary adaptors/connectors to connect cementing unit to circulating/cementing head at derrick floor/cellar.

2) OTHER CEMENTING EQUIPMENT :

- (a) 2" Chiksen loops 8' X 2" X 6000/5000 PSI with min. 602 FIG hammer union: 10 Nos. or adequate quantities. The Chiksen loop with higher-pressure rating will also be acceptable, but Contractor will have to provide necessary crossover to connect to 6000/5000 PSI 602 FIG hammer union.
- (b) Circulating Heads:
 - i) 20" Bottom Buttress pin thread connection : 01 No.
Top 2" nipple with valve & min. 602 FIG hammer union
 - ii) 13.3/8" Bottom Buttress pin thread connection : 01 No.
Top 2" nipple with valve & min. 602 FIG hammer union
 - iii) 9.5/8" Bottom Buttress pin thread connection : 01 No.
Top 2" nipple with valve & min. 602 FIG hammer union
 - iv) 7" Bottom Buttress pin thread connection : 01 No.
Top 2" nipple with valve & min. 602 FIG hammer union
 - v) 5.1/2" Bottom Buttress pin thread connection : 01 No.
Top 2" nipple with valve & 602 FIG hammer union
- (c) Cementing head with quick change adaptor :
 - i) 20" Standard double cementing head for 20" Casing with bottom buttress pin thread connection alongwith double manifold. : 01 No.
 - ii) 13.3/8" Standard double cementing head for 13.3/8" Casing with bottom buttress pin thread connection alongwith double manifold. : 01 No.

- iii) 9.5/8” Standard double cementing head for 9.5/8” Casing : 01 No.
with bottom buttress pin thread connection alongwith
double manifold.
- iv) 7” Standard double cementing head for 7” Casing : 01 No.
with bottom buttress pin thread connection alongwith
double manifold.
- v) 5.1/2” Standard double cementing head for 5.1/2” Casing : 01 No.
with bottom buttress pin thread connection alongwith
double manifold.
- vi) Adequate spares like “O” ring etc. for above.

4) VINTAGE OF EQUIPMENT AND TOOLS :

- (a) The age of the Cementing Unit, Surface tools and other equipment to be deployed by the Contractor shall not be of more than ten (10) years old as on the scheduled Bid closing date of this tender, counted from the date of its manufacturing. The bidders must furnish certificates/documents in this regard in support of their bids, when called for.
- (b) All down hole equipment must be new or in first class working condition, completely redressed with new parts and Contractor shall guarantee its satisfactory performance.

5) CONSUMABLES :

Oil well Cement, cementing water, various additives for cementation and HSD for consumption of the Cementing Unit will be provided by OIL without any charge. However, if situation so arises, when the Contractor provides certain additives/items etc. on Company’s request for performance of this contract, Company shall reimburse the cost of such additives/items at actuals to the Contractor against submission of documentary evidences.

6) REQUIREMENT OF PERSONNEL :

- (a) The Contractor must deploy 01 (one) competent, qualified and trained Cementing/ Servicing Engineer with minimum five (05) years independent experience in deep well cementing and stimulation jobs on continuous 24 hours basis at rig site. However, if Contractor deploys more personnel for assisting their Engineering towards performance of any specific job at well site during the currency of the contract, Company will not pay for such additional manpower.
- (b) The regular Cementing Engineer should be deployed at site on continuous 24 hours a day basis and should work on 28 days ON and OFF basis or as per standard oilfield practice permissible under law.
- (c) Contractor must submit the bio-data of proposed personnel and obtain clearance from the Company before actual deployment at site.

TENTATIVE QUANTUM OF JOBS TO BE PERFORMED

The number of jobs anticipated during the initial three (3) months would be as under;

- | | | | |
|----|---|----------|---------------|
| 1. | Estimated Cementing Jobs | : | 6 Nos. |
| 2. | Estimated Cement Plug Jobs | : | 5 Nos. |
| 3. | Estimated Cement Squeeze Jobs | : | 2 Nos. |
| 4. | Allied Jobs like BOP testing, LOT etc. | : | 5 Nos. |

- NOTE : 1. Estimated duration of each cementing/cement plug/stimulation/other allied jobs is four (04) days.
2. The range, casing sizes and depth of various jobs will depend upon well requirements.
3. BOP Stack testing up to 5000 PSI as and when required.
4. Two stage cementation jobs in 13.3/8", 9.5/8", 7" and 5.1/2" casing as and when required.
5. Fluid pumping as and when required.
6. Well killing and squeeze jobs as and when required.
7. The well depths may vary up to 2100 mtrs. with 3 or 4 stage casing policy. The average mud weights for the fields are between 9-11 ppg. The rise in cement level in various sizes of casings will depend upon individual well requirement.

(END OF SECTION - V)

SECTION – VI

BID FORM AND PRICE SEHEDULE

(A) BID FORM

Date :
Tender No. : JCO 4255 P10

OIL INDIA LIMITED
12, OLD RESIDENCY ROAD
JODHPUR, RAJASTHAN

Gentlemen,

Having examined the General and Special Conditions of the tender and the Scope of work/ terms of reference including all attachments thereto, the receipt of which is hereby duly acknowledged, we, the undersigned offer to perform the services in conformity with the said conditions of Contract and Terms of Reference for the sum of (Total Bid amount in words and figures) or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this bid.

We undertake, if our bid is accepted, to commence the work within **30 days** calculated from the date of receipt of Letter of Intent from the Company.

If our bid is accepted, we will obtain the guarantee of a Bank for a sum not exceeding 10% of the total estimated contract value, calculated as per Proforma – II (Section – X) for the due performance of the Contract.

We agree to abide by the bid for a period of **90 days** from the date fixed for bid opening under paragraph 11.0 of the Instructions to Bidders (Section-II) and it shall remain binding upon us and may be accepted at any time before the expiry of that period.

Until a formal contract is prepared and executed, this bid, together with your written acceptance thereof in your notification of award shall constitute a binding contract between us.

We understand that you are not bound to accept lowest or any bid you may receive.

Dated this _____ day of _____ 2009

(SIGNATURE)

(In the capacity of)

Bidder's Name : _____
Bidder's address: _____

B) SCHEDULE OF RATES FOR CEMENTING SERVICES

Bidders must quote their rates strictly as per Price Schedule Format provide herein vide PROFORMA-II (Section –X) considering the charges as under;

1.0 MOBILISATION CHARGES:

- 1.1 Mobilisation charges should be quoted on lump sum basis as per price schedule format (Proforma – II) and should cover all local and foreign costs of the Contractor to mobilise the equipment as per requirements and crew to the first location and should include all applicable duties, other local and foreign taxes, port fees and inland transportation.
- 1.2 Any demurrage accrued on account of delay in clearance through customs (if any) will be on Contractor's account. The Company will provide necessary assistance to the extent possible, if required for customs clearance on receipt of request from the Contractor and all such requests must be made by the Contractor well in advance (at least seven days). Recommendatory Letter for obtaining Essentiality certificate to avail NIL rate of Customs Duty against imports will be issued by Company against specific request from the Contractor and upon furnishing duly certified import invoice.
- 1.3 The bidder will be required to furnish details in relation to the equipment listed under Annexure-II of Section – V, as per the format given in Annexure-A of Section – VI.
- 1.4 Mobilisation will be considered as complete only when all the operating tools/equipment are received and tools/equipment are tested/calibrated to its rated specifications to the satisfaction of Company.
- 1.5 Mobilisation charges will be payable when all equipment & crew are positioned to undertake/commence the work assigned under the Contract at the first location (approximately 400 Km from Jodhpur, connected with State Highways) and duly certified by the Company's Engineer.

2.0 DEMOBILISATION CHARGES:

- 2.1 The Demobilisation charges should be quoted as Lump sum charges as per price schedule format (Proforma – II) which will include all charges inclusive of demobilisation of all Contractor's equipment and crew from the last drilling location of Company.
- 2.2 Company shall give notice to Contractor to commence demobilisation. Contractor will ensure that demobilisation is completed within **15** (Fifteen) days of notice from the Company. No charge whatsoever will be payable from the date as mentioned in Company's demobilisation notice
- 2.3 All charges connected with demobilisation including all fees and taxes in relation thereto and insurance and freight on re-export outside India, if any, will be to Contractor's account. Contractor's quotation should cater for the foregoing.
- 2.4 Contractor will be required to furnish the detailed information as per the format given in Annexure-B of Section-VI.
- 2.5 Demobilisation charges, if applicable will be payable on submission of invoices along with necessary documents detailed below.

- (a) Audited account up to completion of the contract.
- (b) Tax audit report for the contractual period as required under Income tax laws.
- (c) Documentary evidence regarding submission of returns and payment of tax for expatriate personnel engaged by the contractor.
- (d) Proof of re-export of all items (excluding consumables consumed during the contract period) and also cancellation of re-export bond, if any.
- (e) Any other document(s) as required by applicable Indian laws.

3.0 RENTAL CHARGES FOR EQUIPMENT :

(Charges per calendar month for the equipment to be deployed by Contractor)

- 3.1 Equipment, tools, accessories etc. (including cementing unit) required for performance of the services are furnished vide Annexure – II of Section – V for which bidders are to quote monthly rental charges. Rental charges for equipment for Cementing Services shall be applicable from the date of completion of mobilization. For calculation of hourly/day rate, the monthly rate will be pro-rated up to minimum of nearest half hour basis. The monthly rental charges should include supply of spares & consumables, replacement / maintenance cost and any other operational requirement if any during the contractual period. The Contractor must maintain minimum stock of any such regularly required items at the drilling site under their possession to ensure uninterrupted service.

4.0 PERSONNEL CHARGES :

(Charges per Cementing Engineer to be deployed by Contractor per calendar month)

- 4.1 Personnel charges should be quoted on Lump sum basis per calendar month per Cementing Engineer, which will include service fee of the Cementing Engineer to be deployed by the Contractor for execution of this contract. All charges related to mobilisation and demobilisation of Cementing Engineers to and from drilling site to Contractor's base including en-route expenses will be the sole responsibility of the Contractor. However, food, accommodation and preliminary first-aid facilities for Contractor's engineers at drilling site will be arranged/provided by OIL as available on free of charge basis.

NOTE :

- 1. The Contractor will have to deploy one Cementing/Servicing Engineer at site on 24 hours basis, who shall be overall in-charge at site on behalf of the Contractor and will be responsible for all well cementation operations.
- 2. The personnel charges shall commence from the time Contractor's Engineers report at site and ceases when the Company representative at site serves notice for demobilisation of personnel. During inter-location movement of cementing unit from one well to another, personnel charges will not be payable by OIL.
- 3. For calculation of hourly rate, the monthly/day rate will be pro-rated up to minimum of nearest half hour.

5.0 OPERATIONAL CHARGES :

- 5.1 The bidders are to quote operational charges for various jobs shown in Annexure – III of Section – V on per job basis. The operational charges shall include cost of slurry design, testing at Contractor's own laboratory, actual cementing operation and other related jobs required to be performed by the Contractor for successful completion of cementing operations. Operational charges will be payable only on per job successfully completed basis.

6.0 INTERLOCATION MOVE CHARGES :

- 6.1 During inter-location movement, shifting of Cementing unit, tools, equipment and personnel etc. deployed by the Contractor will be the sole responsibility of the Contractor. Inter-location move rate will be payable depending on the distance between the locations. Therefore, bidders to quote inter-location movement rate all inclusive charges per kilometre from one site to another.
- 6.2 Inter-location move rate will start from the moment Company releases the cementing unit and other related equipment, tools etc. of Contractor from one location and until the next well as planned is spudded.

GENERAL NOTES :

1. A Foreign bidder expecting to incur a portion of its expenditure in the performance of the contract in Indian Rupees and wishing to be paid accordingly, shall so indicate in its Bid. In such a case, the Bid shall be expressed in different currencies and the respective amount in each currency shall together make up the total price.
2. Indian bidders are permitted to quote in any currency (including Indian Rupees) and receive amounts in such currencies on par with foreign bidders. However, currency once quoted will not be allowed to be changed.

MOBILISATION

Estimated value of equipment/tools on date of commencement of Contract.

CIF VALUE							Port and other fees	Any other charges	Inland Transportation charges	Total Value	Year of manufacture
Sl. No.	ITEM S	QTY	Estimated /Actual cost	Insurance	Freight from port of exit	Total					

Note: Bidders who have their equipment/tools already in India and who do not require to import any equipment/tools should indicate the Estimated/Depreciated value of the equipment/ tools in place of CIF VALUE, in addition to the other information as called for above. Please confirm whether the equipment/tools are already available in India or need to be imported from abroad.

ANNEXURE-B
(SECTION – VI)

DEMobilISATION

Sl. No.	Items	Quantity	Inland Transport Charges	Packing & Forwarding Charges	Port and other Fees	Insurance & Freight Charges	Total Value

(END OF SECTION – VI)

SECTION – VII

FORM OF BID SECURITY (BANK GUARANTEE)

WHEREAS, (Name of Bidder) _____ (hereinafter called "the Bidder") has submitted his bid dated (Date) _____ for the provision of certain oilfield services (hereinafter called "the Bid").

WE KNOW ALL MEN by these presents that We (Name of Bank) _____ of (Name of Country) _____ having our registered office at _____ (hereinafter called "the Bank") are bound unto Oil India Ltd (hereinafter called "Company" in the sum of (_____) * for which payment well and truly to be made to Company, the Bank binds itself, its successors and assignees by these presents. SEALED with the common seal of the Bank this _____ day of _____, 2009.

THE CONDITIONS of this obligation are:

- (1) If the Bidder withdraws his Bid during the period of bid validity specified by the bidder
- (2) If the Bidder, having been notified of the acceptance of his Bid by the Company during the period of Bid validity :
 - (a) Fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, on tender document;
 - or
 - (b) Fails or refuses to furnish the Performance Security in accordance with the Instructions to Bidders on tender documents.

We undertake to pay to Company up to the above amount upon receipt of its first written demand, (by way of letter/fax/e-mail) without Company having to substantiate its demand, provided that in its demand Company will note that the amount claimed is owing to occurrence of one or both of the two conditions specifying the occurred condition or conditions.

This guarantee will remain in force up-to and including the date (date of expiry of bank guarantee should be minimum 60 days beyond the validity of the bid) any demands in respect thereof should not reach the bank not later than the above date.

* The bank should insert the amount of guarantee in words and figures

Date :

Signature of issuing authority of Bank with
designation seal and seal of the bank.

(END OF SECTION-VII)

SECTION – VIII

FORM OF PERFORMANCE BANK GUARANTEE (UNCONDITIONAL)

To : (Name of Company _____)
(Address of Company _____)

WHEREAS (Name and address of Contractor) _____
(hereinafter called as "Contractor") had undertaken, in pursuance of Contract No. _____ dated
_____ to execute (Name of Contract and Brief description of the work)
_____ (hereinafter called "the Contract"),

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee, NOW HEREOF we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of (Amount of Guarantee) * _____ (in words) _____ such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of the Guarantee sum as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modifications of the terms of the contract or of the work to be performed there-under or of any of the contract documents which may be made between you and Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee is valid until the date (.....) three months after Contract completion.

SIGNATURE & SEAL OF THE GUARANTOR

Name of Bank

Address

Date

* An amount is to be inserted by the Guarantor, representing the percentage of the Contract price specified in the forwarding letter, and denominated either in the currency of the Contract or in a freely convertible currency acceptable to the Company.

NOTE : Bidders are NOT required to complete this form while submitting the Bid.

(END OF SECTION-VIII)

SECTION – IX

SAMPLE FORM OF AGREEMENT, *

THIS AGGREEMENT is made on the day of..... 2009, between (Name of Company)-
_____ of (Mailing address of Company) _____, hereinafter called "the
Company", of the one part and (Name of Contractor) _____ (hereinafter
called "the Contractor") of the other part.

WHEREAS the Company is desirous that certain works should be executed viz. (Brief description of
works)_____ and has, by Letter of acceptance dated (Date of Letter of
Acceptance)_____, accepted a Bid by the Contractor for the execution, completion
and maintenance of such works.

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this agreement words and expressions shall have the same meanings as are respectively
assigned to them in the conditions of Contract hereinafter referred to.
2. The following documents shall be deemed to form and be read and construed as part of this
Agreement, viz. :
 - a) This form of Agreement,
 - b) The Letter of Acceptance,
 - c) The said Bid and Appendix,
 - d) The Technical Specifications and
 - e) The Priced Bid and Quantities,
 - f) The Drawings,
 - g) The Schedules of Supplementary Information,
 - h) The Special Conditions of Contract and
 - i) The General Conditions of Contract
3. The aforesaid documents shall be taken as complementary and mutually explanatory of one
another, but in the case of ambiguities or discrepancies they shall take precedence in the order
set out above.
4. In consideration of the payment to be made by the Company to the Contractor as hereinafter
mentioned, the Contractor hereby covenants with the Company to execute, complete and
maintain the works in conformity in all respects with the provisions of the contract.
5. The Company hereby covenants to pay the Contractor in consideration of the execution,
completion and maintenance of the works the Contract price at the times and in the manner
prescribed by the Contract.

IN WITNESS WHEREOF the parties hereto have set their respective hands and seals to this
Agreement on the day, year first written above.

SIGNED, SEALED AND DELIVERED.

By the said Name _____

On behalf of the Contractor
in the presence of:

(END OF SECTION - IX)

SECTION – X

BID REJECTION CRITERIA (BRC) / BID EVALUATION CRITERIA (BEC)

I. BID REJECTION CRITERIA (BRC)

The bid shall conform generally to the specifications and terms and conditions given in the bidding documents. Bids will be rejected in case services offered do not conform to the required parameters stipulated in the technical specifications. Notwithstanding the general conformity of the bid to the stipulated specifications, the following requirements will have to be particularly met by the bidders without which the same will be considered as non-responsive and rejected.

1.0 TECHNICAL

1.1 Bidders must meet the following criteria :

(A) Experience :

- (i) The bidder must have minimum 05 (five) years operational experience calculated up to the scheduled bid closing date in providing oil/gas well cementation services.
- (i) The bidder must confirm to deploy qualified, experienced and competent manpower for carrying out the cementing and other associated operations against the contract as under;
 - (a) One Cementing Engineer proposed to be engaged on regular basis having independent working experience of minimum five (5) years in deep well cementing and stimulation jobs. Bio-data of the personnel proposed to be deployed must be submitted alongwith the technical bid.

(B) Other requirements:

- i) The bidder as the primary entity must be financially and organisationally sound. On the bid closing date they must be in possession of the Cementing Unit offered (owned or leased). Bidders must categorically confirm the same in their technical bids.
- ii) The offered cementing unit, cement mixing and circulating system should conform to the specifications detailed in ANNEXURE – II of Section – V. Bidders must categorically confirm the same in their technical bids.
- iii) Cementing Unit and other surface tools/equipment must not be of more than ten (10) years old as on bid closing date counted from the date of manufacture. Bidders must submit a certificate alongwith their technical bids confirming the vintage and certifying that the equipment will be deployed in perfect working conditions.
- iv) Bids which do not include all the jobs / services mentioned in the tender document will be considered as incomplete and rejected.

2.0 COMMERCIAL

- 2.1 The bids are to be submitted in a single stage two bid system i.e., Technical bid (un-priced) and commercial bid (priced) submitted together in separate envelopes. Both the bids should be identical except that only the commercial bid should contain the prices. The Bid will be summarily rejected if the Technical Bid contains the prices.
- 2.2 Prices quoted by the successful bidder must remain firm during the execution of the Contract.
- 2.3 Bid security shall be furnished as a part of Technical bid. The amount of bid security should be as specified in the 'Forwarding Letter'. Any bid (except those exempted) not accompanied by a proper bid security will be rejected.
- 2.4 Bids received after bid closing date and time will not be considered and will be returned un-opened.
- 2.5 The Bid documents are not transferable. Bids made by parties who have not purchased the bidding documents from Company will be rejected.
- 2.6 Bidders shall quote directly. Offers made by Indian agents on behalf of their foreign principals will be rejected.
- 2.7 Any bid received in the form of Telex/Cable/Fax/E-Mail will not be accepted.
- 2.8 Bids shall be typed or written in indelible ink and Original bid shall be signed by the bidder's authorised representative on all pages failing which the bid may be rejected.
- 2.9 Bids shall contain no interlineation, erasures or overwriting except as necessary to correct errors made by bidder, in which case such corrections shall be initialed by the person(s) signing the bid. However, white fluid should not be used for making corrections. Any bid not meeting this requirement shall be rejected.
- 2.10 Any bid containing false statement will be rejected. Conditional offers will also be rejected.
- 2.11 Bidders must quote clearly and strictly in accordance with the price schedule outlined in Price Bid Proforma (PROFORMA-II) of bidding document, otherwise the bid will be summarily rejected.
- 2.12 The bidders must be in a position to mobilize within **30 days** (max.) from the date of notification of award of the contract (LOI). Company prefers earliest mobilisation. Bidders must categorically confirm the same in their technical bids. Bids offering higher mobilization time than 30 days shall be rejected.
- 2.13 Bids must be kept valid for 90 days from the date of scheduled bid closing date. Bids with inadequate validity shall be rejected as non-responsive.
- 2.14 Bidder must accept and comply with the following clauses as given in the Bidding Document in toto, failing which offer will be rejected-
 - (a) Performance Guarantee clause.
 - (b) Force Majeure clause.
 - (c) Tax liabilities clause.
 - (d) Arbitration clause.
 - (e) Acceptance of Jurisdiction and Applicable Law.
 - (f) Liquidated damage clause.
 - (g) Mobilisation time

3.0 GENERAL

- 3.1 The compliance statement (enclosed **Proforma – I**) should be fully filled up and should form a part of technical bid. In case bidder takes exception to any clause of tender document not covered under BEC/BRC, then the company has the discretion to load or reject the offer on account of such exception if the bidder does not withdraw/modify the deviation when/as advised by the Company. The loading so done by the Company will be final and binding on the bidders.
- 3.2 To ascertain the substantial responsiveness of the bid the company reserves the right to ask the bidder for clarification in respect of clauses covered under BEC/BRC also and such clarifications fulfilling the BEC/BRC clauses in toto must be received on or before the deadline given by the Company, failing which the offer will be summarily rejected.
- 3.3 The company reserves the right to cancel/withdraw the Tender without assigning any reasons to the bidders.

NOTE : If any of the clauses in the BRC/BEC contradict with other clauses of Bid Document elsewhere, then the clauses in the BRC/BEC shall prevail.

II. BID EVALUATION CRITERIA (BEC) :

- 1.0 The bids conforming to the technical specifications, terms and conditions stipulated in the bidding document and considered to be responsive after subjecting to Bid Rejection Criteria will be considered for further evaluation as per the Bid Evaluation Criteria given below.
- 1.1 In the event of computational error between unit price and total price, unit price shall prevail.
- 1.2 Similarly, in the event of discrepancy between words and quoted figures, words will prevail
- 1.3 The bidders must quote their charges / rates in the manner as called for vide “ Schedule of rates for cementing services” under Section – VI and the summarised price schedule format vide enclosed Proforma - II.
- 1.4 Evaluation of Priced-Bids will be as per enclosed Proforma – II for arriving at the total estimated cost of the contract, considering continuous requirement of initial 3 months. It is, however to be clearly understood that the number of months/days assumed in proforma - II are only for bid evaluation purpose. However, payment will be made on the actual number of days/months for which the crew and equipment are utilized/engaged during the currency of Contract and for calculating hourly/day rates, the monthly rates will be pro-rated, wherever applicable.
- 1.5 For evaluation of the bids, B.C Selling (market rate) of State Bank of India prevailing one day prior to the priced bid opening will be considered. Where the time lag between the price bid opening and final decision exceeds three months, the rate of exchange prevailed on the date prior to the date of final decision will be adopted for conversion in to single currency.

PROFORMA-I
(SECTION-X)

STATEMENT OF COMPLIANCE
(Only exceptions/deviations to be rendered)

SECTION NO. (PAGE NO.)	CLAUSE NO. SUB-CLAUSE NO.	COMPLIANCE/ NON COMPLIANCE	REMARKS

(Authorised Signatory)
Name of the bidder _____

NOTE : OIL INDIA LIMITED expects the bidders to fully accept the terms and conditions of the bid document. However, should the bidders still envisage some exceptions/ deviations to the terms and conditions of the bid document, the same should be indicated as per above format and submit alongwith their bids. If the proforma is left blank, then it would be construed that the bidder has not taken any exception/deviation to the terms and conditions of the bid document.

PRICE SCHEDULE FORMAT

Sl. No.	Description of item	Unit	Quantity	Unit Rate FE + INR	Total amount FE + INR
---------	---------------------	------	----------	-----------------------	--------------------------

1. MOB-DEMOB CHARGES FOR CEMENTING UNIT & CREW:

- | | | | | | |
|------|-----------------------|----------|-----|--|--|
| i) | Mobilisation charge | Lump sum | One | | |
| iii) | Demobilisation charge | Lump sum | One | | |

2. RENTAL CHARGES FOR EQUIPMENT :

- | | | | | | |
|----|---|-------|---|--|--|
| i) | Monthly rental rate for equipment
(Cementing Unit-Twin Pump-Ram alongwith all tools, spares and accessories) | Month | 3 | | |
|----|---|-------|---|--|--|

3. PERSONNEL CHARGES :

- | | | | | | |
|----|---|-------|---|--|--|
| i) | Charges per Cementing Engineer
per month on 24 hrs. on regular
basis at site throughout contract period | Month | 3 | | |
|----|---|-------|---|--|--|

4. OPERATIONAL CHARGES :

- | | | | | | |
|------|---|---------|---|--|--|
| i) | Charges per Cementing Job | Per Job | 6 | | |
| ii) | Charges per Cement Plug Job | Per Job | 5 | | |
| iii) | Charges per Cement Squeeze Job | Per Job | 2 | | |
| iv) | Charges per Allied Job viz; BOP
testing & LOT etc. | Per Job | 5 | | |

Note : Operational charges should not include equipment rental and charges towards personnel as the same are provisioned separately. Operational charges should include only the running cost, if any, exclusively during aforesaid operations.

5. INTERLOCATION MOVE CHARGES :

- | | | | | | |
|----|-------------------------|----|-----|--|--|
| i) | Lump sum Charges per KM | KM | 600 | | |
|----|-------------------------|----|-----|--|--|

(A) TOTAL CONTRACT VALUE FOR THREE MONTHS :
(Sum Total of 1 + 2 + 3 + 4 + 5 above)

GENERAL NOTES :

1. The bidders are to quote above prices inclusive of all taxes and duties, i.e., corporate/personal taxes and service taxes etc. as applicable. Only R & D cess, applicable if any will be borne by OIL. However, percentage of Service Tax included in ALL ABOVE quoted rates must be indicated specifically.
2. The number of months/days assumed above are only for Bid evaluation purpose. However, payment will be made on the actual number of days/months for which the crew and equipment are utilized/engaged during the currency of Contract and for calculating hourly rates, the day rates and the monthly rates will be pro-rated. Pro-rate calculation of rates/charges up to (minimum) nearest half hour basis will be considered for payment purpose.

(END OF SECTION – X)