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INVITATION FOR EXPRESSION OF INTEREST (EOI)

FOR

MUD ENGINEERING SERVICES INCLUDING SUPPLY OF CHEMICALS FOR EXPLORATORY DRILLING IN MIZORAM

(EOI NOTICE NO.: OIL/NEF/GLOBAL/EOI/032/2016)

OIL INDIA LIMITED (OIL), a Government of India Enterprise under the Ministry of Petroleum and Natural Gas, is a premier up-stream Oil Company engaged in the business of Exploration, Production & Transportation of Crude Oil & Natural Gas as well as production of LPG, having its Headquarter at Duliajan, Assam in India. Its operations are largely based in the north-eastern parts of India particularly in Mizoram, Assam and Arunachal Pradesh, but have also extended its activities in different parts of India and abroad. In connection with its ongoing exploration activities in the State of Mizoram, OIL's NEF Project invites Expression of Interests (EOIs) from reputed and established E&P Service Providers/Vendors meeting the pre-qualification criteria as mentioned below for empanelment/short listing and issue of tender document for providing complete **Mud Engineering Services** including deployment of requisite manpower, equipment and supply of mud chemicals for drilling of exploratory wells in NELP-VI block: MZ-ONN-2004/1. The period of contract would be initially for one year, with a provision for extension by one more year on same rates, terms and conditions at the option of Company.

1.0 PROJECT INFORMATION:

- 1.1 As per committed Minimum Work Programme (MWP) for the NELP Block (MZ-ONN-2004/1) Oil India Ltd. (OIL), being the Operator, has to drill five (5) exploratory wells within stipulated time frame. Company has deployed one 2000 HP capacity Drilling Rig Package on chartered hire basis. So far, one exploratory well has already been completed in the block and drilling of the second well will commence soon.
- 1.2 Mizoram has the most variegated hilly terrain in the eastern part of India with 21 hill ranges of different altitudes (maximum altitude of around 1800m and in general 900 m to 1200 m) with succession of long valleys running mostly from North to South covering the entire state. The hills are very steep and rugged with intervening deep gorges. Two major roads namely NH-54 and State Highway funded by World Bank run almost parallel to each other in North-Southern direction through the centre of the state as well as OIL's NELP block. Both the roads emanate from Aizawl and converge at Lunglei, the second largest town in Mizoram after Aizawl. These two highways will serve as the major feeders for any drilling locations within the NELP block. The roads are in hilly terrain full of sharp curves with steep gradient. The other connecting roads are narrow having sharp horizontal curves with steep gradient in many places.

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

2.0 GEOLOGY OF THE AREA:

- 2.1 Assam - Arakan region, Mizoram, Manipur and Tripura have drawn the attention of exploration geologists ever since the discovery of Digboi and Makum oil fields of Upper Assam around 1890. The Badarpur oil field in Cachar district of Assam, presently abandoned, was discovered in 1901. This discovery followed a spate of other discoveries in Assam since Sixties of the last Century. Gas occurrence in Tripura is very relevant to the exploration of the region. Commercial gas in this state was discovered during the late seventies of previous century within the Surma sequence of Miocene age. Several other gas fields have also been found since then.
- 2.2 Cachar- Tripura- Mizoram fold belt constitutes a distinct part of Assam-Arakan tectonic system. Myanmar's Shan Plateau and the Ophiolite complex extend to the east of it. The Bangladesh flood plains are to the west. The Naga Schuppen belt of Assam forms the northern extreme and Chittagong hill track (Bangladesh) lies to the south of it.
- 2.3 The area of operation is a part of Tripura – Cachar – Mizoram fold belt of Assam Arakan Basin. The Mizoram fold belt is composed of tight linear folds with their axes almost in north-south direction. The intensity of folding increases from west to east where the rocks of Indian plate subducted below the Burmese plate. The anticlines are long, narrow and tight, whereas the synclines are broad and gentle. As per the geological section of the area of operation, the area has Tipam formation exposed in the central part and Bokabil formation is exposed in the eastern and western part. The Bhuban formation is divided in three formations as Lower, Middle and Upper Bhuban formations. Lower Bhuban formation is mainly alternations of sandstones and shale. The Middle Bhuban consists of mainly shale with subordinate sandstones. The Upper Bhuban consists of alternations of sandstones and shales.

3.0 LOCATION OF THE AREA:

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

Coordinates of Block MZ-ONN-2004/1

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

4.0 BRIEF SCOPE OF WORK:

4.1 The Contractor is required to provide Mud Service in totality. The scope of work includes but not limited to;

- Designing and formulation of mud programme
- Mud Engineering Services.
- Supply of complete line of mud and completion chemicals
- Drilled Solids Management.

4.2 The Vendor/Contractor shall be responsible for supply of requisite chemicals including procurement and transportation upto the drilling locations in Mizoram and carrying out laboratory analysis therein to the satisfaction of Company. The Vendor/Contractor has to assess the constraints and take care of all logistic issues while transporting their materials to the site. On logistic point of view, it may be highlighted here that the road leading to Mizoram from Silchar in Assam (NH-54) is having steep gradients & serpentine bends and single consignment weighing more than 35 MT (including the weight of carrier) is generally not advised.

5.0 SAFETY, HEALTH AND ENVIRONMENT:

5.1 The Vendor/Contractor shall have to comply with the applicable and prevailing provisions of Mines Act, 1952, OISD (Oil Industry Safety Directorate) guidelines and MoEF & CC (Ministry of Environment & Forests and Climate Change) directives.

5.2 The Mud Engineers should use approved PPE as per international practice and perform duty in accordance with Contractor's own SHE policy. In addition to above the mud engineer and other personnel of Contractor at well site must comply with OIL's internal SHE policy, if need be.

6.0 MANPOWER:

6.1 The Contractor/Vendor shall provide two (2) on-site Mud Engineers on 12-hours shift basis at all times. OIL may provide one experienced Mud Chemist stationed at site during all phases of operations. Mud Engineer should be proficient in English (written & verbal). Besides English, fluency in Hindi and local language shall be an added advantage.

6.2 The Mud Engineer should have minimum educational qualification of Bachelor degree in Engineering / Science or equivalent. The Mud Engineer should have minimum five (5) years relevant experience, out of which at

least three (3) years in handling the proposed (Glycol-K₂SO₄) mud system independently in exploratory wells, at least one well should be of more than 3500m depth.

7.0 PRE-QUALIFYING CRITERIA:

7.1 The Vendor/Contractor must fulfill the following minimum pre-qualifying criteria for empanelment/ short-listing and issue of tender document for hiring of Mud Engineering Services including supply of mud chemicals.

- (i) The Vendor/Contractor must be in the business of providing Mud Engineering Services for the past three (3) years as on the date of EOI submission.
- (ii) The Vendor/Contractor must have provided Mud Engineering Services for minimum five (5) numbers of exploratory wells of which at least three (3) numbers of well must be of more than 3500m depth each as on the date of EOI submission.
- (iii) The Mud Engineer(s) to be deployed by the Vendor/Contractor for site jobs must have minimum educational qualification of Bachelor degree in Engineering/Science or equivalent. The Mud Engineer (s) should have minimum five (5) years relevant experience, out of which at least three (3) years in handling the proposed (Glycol-K₂SO₄) mud system independently in exploratory wells, at least one well should be of more than 3500m depth.

7.2 In case the Vendor/Contractor is a Consortium of Companies, the Leader of the Consortium should satisfy the minimum experience requirements as per para 7.1 (i) to (iii) above.

7.3 In case the Vendor/Contractor is an Indian Company/Indian joint venture Company, the lead bidder should meet the criteria laid down in para 7.1 (i) through (iii) above.

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

7.5 Offers from Vendor/Contractor who themselves do not meet the experience criteria as stipulated in para 7.1 above can also be considered, provided the Bidder is a 100% subsidiary company of the parent company which meets aforesaid experience criteria. In such cases, as the subsidiary company is dependent on the experience of parent company, the participating Bidder should submit an agreement/Corporate Guarantee as per **Annexure-IV**.

7.6 DOCUMENTS / INFORMATION:

The Vendor/Contractor must furnish the following documents as part of their EOI in support of fulfilling all the above pre-qualifying criteria, failing which the EOI shall be rejected.

- (a) Experience of Vendor/Contractor in providing Mud Engineering Services (ref. para 7.1 above): Statement to be furnished in a tabular form as per **Annexure-I** indicating the details of jobs completed.

- (b) Details of current work in hand and other contractual commitments of the Service Provider/Vendor are to be submitted in tabular form as per **Annexure-II**.
- (c) A letter with categorical confirmation that the Service Provider has the key personnel meeting the requisite experience as indicated above and can deploy them for job execution under the contract.
- (d) Financial Turnover of Vendor/Contractor: Statement to be furnished as per **Annexure-III** for the last three (3) accounting years, preceding the date of submission of EOI.
- (e) MOU in respect of formation of Consortium/Joint Venture or Corporate Guarantee for 100% subsidiary as per para 7.2 to 7.5 above.

- (i) All copy of documents submitted alongwith the EOI must be self certified by the Vendor/Contractor and should be clear & legible.
- (ii) The EOI is liable to be ignored in case of submission of any misleading / false representation by the Vendor/Contractor.
- (iii) OIL INDIA LIMITED reserves the right to ignore any or all EOIs without assigning any reasons thereof.
- (iv) OIL INDIA LIMITED reserves the right to curtail/enhance the scope of work stated above or cancel, if required, without assigning any reason thereof.

8.1 The EOI together with the information/documents as mentioned above should be submitted in a sealed envelope super-scribing “EOI for Mud Engineering Services for NELP block in Mizoram” should reach the following address **on or before 1st March, 2016 (15:00 hrs. IST)**

8.2 In case, the above mentioned date happens to be a non-working day for OIL in Duliajan due to Bandh/holiday or for any other reasons, EOIs shall be received upto the next full working day till 3:00 PM (IST) and opened accordingly. EOI may be sent by post/courier service or delivered personally at the tender box placed in the office of NEF Project, Oil India Limited, Duliajan-786602, Assam. However, OIL shall not be responsible for any consequence arising out of delay in receipt or non-receipt of EOIs.

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ANNEXURE - I**Experience Statement of Vendor/Contractor****Mud Engineering Services**

Sl No	Contract No	Name of client	Place of operation	Depth of wells	Mud system used	Down hole problem, if any and their solution	Commencement date of contract	Completion date of contract

N.B. : Please add rows in case of more experience.

ANNEXURE – II**Statement of Current work in hand of Vendor/Contractor****Mud Engineering Services**

Sl. No	Contract No.	Name of client	Place of operation	Depth of wells	Details of casing cementation jobs		Period of contract	Commencement of contract
					Type	Depth		

N.B. : Please add rows if required.

ANNEXURE - III

Financial Turnover of Vendor/Contractor as per Audited balance sheets / profit and loss accounts for the last three (3) accounting years, preceding the date of submission of EOI.

Accounting Year	Annual Turnover (indicate Currency)	Net Worth (indicate Currency)

PARENT COMPANY GUARANTEE
(TO BE MADE ON STAMP PAPER OF REQUISITE VALUE AND NOTORIZED)

DEED OF GUARANTEE

THIS DEED OF GUARANTEE executed at..... this..... day of 2016 by M/s..... (mention complete name) a company duly organized and existing under the laws of (insert jurisdiction/country), having in Registered Office at..... herein after called “the Guarantor” which expression shall, unless **excluded** by the repugnant to the subject or context thereof, be deemed to include its successors and permitted assigns.

WHEREAS

M/s Oil India Limited, a company duly registered under the companies Act 1956, having its Registered Office at **Duliajan, Dist: Dibrugarh, Assam-786602, India** and having Corporate Office at **Plot No. 19, Sector-16A, Noida, UP** hereinafter called “**Company**” which expression shall **unless** excluded by or repugnant to the context thereof, be deemed to include its successor and assigns, invited Expression of Interest on vide OIL/NEF/GLOBAL/EOI/032/2016 for Mud Engineering Services including supply of Chemicals etc.

M/s..... (Mention complete name), a company organized and existing under the laws of..... (Insert jurisdiction/country), having its registered office at..... (give complete address) hereinafter called “the Contractor” which expression shall, unless executed by or repugnant to the subject or context thereof, be deemed to include its successor and permitted assigns, *a wholly owned subsidiary of the Guarantor, have, in response to the above mentioned tender invited by the Company, submitted their bid no..... to the Company with one of the condition that the Contractor shall arrange a guarantee from its parent company guaranteeing due and satisfactory performance of the work covered under the said tender including any change herein as may be deemed appropriate by the Company at any stage.

The Guarantor represents that they have gone through and understood the requirement of the above said tender and are capable of and committed to provide technical, financial and such other supports as may be required by the Contractor for successful execution of the same.

The Contractor and the Guarantor have entered into an agreement dated..... as per which the Guarantor shall be provided technical, financial and such other supports as may be necessary for performance of the work relating to the said tender.

Accordingly, at the request of the Contractor and in consideration of and as a requirement for the Company to enter into agreement(s) with the Contractor, the Guarantor hereby agrees to give this guarantee and undertakes as follows:

1.0 The Guarantor (Parent Company) unconditionally agrees that in case of non-performance by the Contractor of any of its obligations in any respect, the Guarantor shall, immediately on receipt of notice of demand by the Company, take-up the job without any demur or obligation, in continuation and without loss of time and without any cost to the Company and duly perform the obligations of the Contractor to the satisfaction of the Company. In case the guarantor also fails to discharge its obligations herein and complete the job satisfactorily, Company shall

have absolute rights for effecting the execution of the job from any other person at the risks and costs of the Guarantor.

The Guarantor also undertakes to make good any loss that may be caused to the Company for non-performance or unsatisfactorily performance by the Guarantor or the Contractor of any of their obligations.

2.0 The Guarantor agrees that the Guarantee herein contain shall remain valid and enforceable till the satisfactory execution and completion of the work (including discharge of the warranty obligations) awarded to the Contractor.

3.0 The Guarantor shall be jointly with the Contractor as also severally responsible for satisfactory performance of the contract entered between the Contractor and the Company.

4.0 The liability of the Guarantor, under this Guarantee, is limited to the value of the contract entered between the Contractor and the Company i.e. upto and in no event shall be Guarantor's liability hereunder, either in its capacity of Guarantor or as a Contractor should it perform the contract in the event of the Contractor's non-performance as per point 1 hereinabove, exceed that of the Contractor under the mutually agreed contract awarded to the Contractor. This will, however, be in addition to the forfeiture of the Performances Guarantees furnished by the Contractor.

5.0 The Guarantor represents that the Guarantee has been issued after due observance of the appropriate laws in force in India. The Guarantor hereby undertakes that the Guarantor shall obtain and maintain in full force and effect all the government and other approvals and consents that are necessary and do all other acts and things necessary or desirable in connection therewith or for the due performance of the Guarantor's obligations hereunder.

6.0 The Guarantor also agrees that this Guarantee shall be governed and construed in accordance with the laws in force in India and subject to the exclusive jurisdiction of the courts of....., India.

7.0 The Guarantor hereby declares and represents that this Guarantee has been given without any undue influence or coercion from any person and that the Guarantor has fully understood the implications of the same.

8.0 The Guarantor represents and confirms that the guarantor has the legal capacity, power and authority to issue this Guarantee and that giving of this Guarantee and the performance and observations of the obligations hereunder do not contravene any existing law or any judgment.

For & on behalf on (Parent Company)

M/s_____

Witness:

1.

2.

*strikeout, if not applicable

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