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GLOBAL EXPRESSION OF INTEREST

EOI REF. NO.OIL/CEMG/CY/EOI/009 /2014

DT. 15.05.2014

LAST DATE OF SUBMISSION : 17 :00 HRS (IST) OF 17.06.2014

Sub: Notice Inviting “Expression of Interest”(EOI) For Casing and Tubing Running / Drilling/ Fishing/ P&A Tools and services/ Hole Enlargement Tools (Group-5) for Drilling in Deepwater block off Gulf of Mannar (CY-OSN-2009/2)

1.0 Introduction

Oil India limited (OIL) is a premier National Oil Company engaged in the business of Exploration, Production and Transportation of Crude Oil and Natural gas. A *Navratna* Company under the Ministry of Petroleum and Natural gas, Government of India (GOI), it is the second largest national oil and gas company in India as measured by total proved plus probable oil and natural gas reserves and production.

OIL was awarded the Cauvery offshore block CY-OSN-2009/2 (area: 1621 km²) under NELP VIII bidding round with 50% Participating Interest as Operator and Oil and Natural Gas Corporation (ONGC) with 50% Participating Interest in the Gulf of Mannar. The Production Sharing Contract (PSC) was signed on 30th June 2010 and the Petroleum Exploration License (PEL) was granted on 2nd August, 2010 by the Government of India.

OIL has a firm program of drilling **two (2) wells and one(1) optional well** in the above block. As per preliminary interpretation, the expected water depth of the prospective wells may vary from **400m to 900 meters. Expected timeline to spud the first well is by beginning of Q2, 2015-16.**

OIL (referred to as **Company in the EOI**) hereby invites Expression of Interest from experienced and reputed prospective **Bidders** to offer the services as enumerated below:

2.0 Services (Group 5): Under this group the following services are included.

2.1 **Casing and Tubing Running Tools and services**

2.2 **Drilling, Fishing, Milling, Plug and Abandonment tools and services.**

2.3 **Hole Enlargement Tools and Services**

3.0 BROAD SCOPE OF WORKS :

3.1 Casing and Tubing Running Tools and services :

The services will be required on **Call out Basis** and Bidder shall indicate the minimum call out time for each job.

The broad Scope of Work will include but not be limited to:

- (i) provide required tools and equipment along with required number of personnel for various activities at the rig and at the Storage base such as power tong units, power tongs and operators, casing stabbers, computerized torque turn make up specialists, casing dopes conductor driving specialist on a call-out or monthly basis, to handle and run conductors, casing and tubing strings.
- (ii) To coordinate rig inventory and shall be responsible for stocking of spares for casing and tubing handling tools such as O-rings, seals, anti-rotation pins, locking blocks etc.
- (iii) Casing and Tubular running services for BTC and other API threads and Premium connections, multi joint and other types of connections used in offshore deep water drilling.
- (iv) Making Casing Tally & service the casing prior to run in.
- (v) Make up casing shoe, Baffle Collar, Scratchers, Stop rings etc. to casing shoe joint.
- (vi) Lower Casing as per policy provided by Company.
- (vii) Make up casings at proper torque required for each type, size of casing.
- (viii) Make up Centralizers as per policy.
- (ix) To provide Equipment and supervision for the fill-up and circulation tool adaptable to the top drive system. The tool shall be capable of fill-up and circulation while casing and tubing is being run and shall be capable of use on different casing / tubing sizes. Bidder is to provide normal inventory it carries for offshore operations.
- (x) To maintain the makeup torque chart for record for each casing.
- (xi) To provide repair / rebuild facilities and technical Personnel to operate from the base for repair and maintenance of casing and tubing running, handling and inspection of Equipment and tools. To provide sufficient backup tools, maintain, repair, and refurbish all the tools and Equipment in proper working condition at all times. Backup tools, spares & Equipment shall be sufficient for uninterrupted operation of the Rig. Additionally, to shall extend these facilities to other Company service providers i.e., Liner hanging running etc.
- (xii) Provide Tools, running/Job records, any recommendations, and any other reports as requested.
- (xiii) Equipment failure reports.
- (xiv) Providing any other programs or reports relevant to the Operations and to the Contract.

Optional:

Bidder to indicate the availability of Casing Running Tool with Top Drives and service personnel to run Intermediate casing strings if required and the mobilization time required and history of similar services rendered.

(xv) Bidder to propose methodology and tools tackles inventory for different phases of drilling and to provide historical Mean Time Between Failure (MTBF) statistics of each tool/Equipment provided along with the proposed servicing/refurbishment schedule. Bidder also required to provide technical/operations manuals/Audio-visual aids in respect of major

Equipment and services like Temperature rating, compatibility with LTSOBM and WBM mud systems and other pertinent and relevant technical requirement/limitations. Bidder is requested to include any other tools / services which Bidder deems required or suggests in terms of latest Marketed Technology / Time saving for Company

3.2 Drilling, Fishing, Milling, Plug and Abandonment tools and services

Section 1: Drilling Tools:

The services will be required on **Call out Basis/Rental** and Bidder shall indicate the minimum call out time for each job and methodology of providing the services for Deepwater operations. Bidder is also to indicate the tools which would require service personnel from the Bidder to operate safely.

Broad Scope of work: Bidder to provide the following broad services but not limited to:

- (i) To provide, supply and maintain all the drilling tools as required by Company for the drilling campaign. The broad description of drilling tools to be provided are: Double Acting Hydraulic drilling jars and drilling accelerators/ Crossover subs/ Drill string floats, dart subs, etc./ Casing scrapers.
- (ii) Short Drill Collars/ Non Magnetic Drill Collars/Stabilisers/Drill Pipe and Tubing Pup joints/Drill Pipe and Tubing Landing string used for deep water operations.
- (iii) Slim hole drilling Tubular and tubular handling tools for sizes like 3-1/2" Drill Collars, 2-7/8" drill pipes and others.
- (iv) Miscellaneous drilling tools like Ditch magnets, Full Opening Safety Valves (FOSV), Drop In Check Valves (Retrievable type), Pumping Subs, Cup Testers.
- (v) Other drilling tools as specified normally the Bidder provides for similar Deepwater drilling campaign.
- (vi) Bidder is requested to indicate the inventory it normally carries for deep water operations with regards to rental of drill pipes of various sizes, tubing for well testing and methodology for rental by company if it requires so and lead time required from call out time.

3.2.1 Bidder is also required to provide, supply and maintain fishing, milling and abandonment tools as specified but not limited to the following:

- (i) Overshots to catch all tubular, tools and downhole Equipments
- (ii) Spiral grapples and spiral grapple controls for overshots
- (iii) Basket grapples, mill controls and packers for overshots
- (iv) Overshot extension subs, Over shot guides for overshots.
- (v) Junk subs for each hole size.
- (vi) Reverse Circulating Junk Baskets for each hole size.
- (vii) Fishing Magnets for each hole size.
- (viii) Junk Mills for each hole size.
- (ix) Flat Bottom mills for each hole size (Concave and Bladed).
- (x) Watermelon/ String mills for each casing size.
- (xi) Mill redress kits.
- (xii) Casing spears for each casing size.
- (xiii) Marine casing cutters and spare knives for each casing/drive pipe size.
- (xiv) Fishing jars, accelerators and fishing bumper subs
- (xv) Casing patches
- (xvi) Other tools required on need basis for Deepwater drilling in Bidder's inventory

3.2.2 Bidder is required to provide a Shore Base Supervisor having a minimum of 5 years relevant experience in similar position. The supervisor should have thorough knowledge and working experience of the tools proposed to be used by OIL and will be the focal point of contact between Bidder and OIL and its other service providers.

3.2.3 Bidder is required to provide on- Fishing Supervisors having a minimum experience of 10 years on similar position. The supervisors should have thorough knowledge and working experience of the tools proposed to be used by OIL. The personnel's would be on a call out basis.

3.3.3 Bidder to propose methodology and tools tackles inventory for different phases of drilling and to provide historical Mean Time Between Failure (MTBF) statistics of each tool/Equipment provided along with the proposed servicing/refurbishment schedule. Bidder also required to provide technical/operations manuals/Audio-visual aids in respect of major Equipment and services like Temperature rating, compatibility with LTSOBM and WBM mud systems and other pertinent and relevant technical requirement/limitations. Bidder is requested to include any other tools / services which Bidder deems required or suggests in terms of latest Marketed Technology / Time saving for Company.

3.3 Hole Enlargement tools and services:

The services will be required on **Call out Basis/Rental** and Bidder shall indicate the minimum call out time for each job and methodology of providing the services for Deepwater operations. Bidder is also to indicate the tools which would require service personnel from the Bidder to operate.

Broad Scope of work: Bidder to provide the following broad services but not limited to:

- (i) Hole openers
- (ii) Under reamers
- (iii) Near bit and string stabilizers
- (iv) Near bit and string Roller reamers
- (v) Gauge rings and Stabilizer gauges

4.0 PRE QUALIFYING CRITERIA :

4.1 Bidder must have **minimum 5 (five) years experience** in the services offered and should have provided the services , with tools, tackles and personnel as the case may be, in at least 3 (Three) wells in the deep water environment in the water depth range as defined with equipment, consumables, spares and services, operators and others as per broad scope of work to reputed E&P companies. Period in this regard shall be reckoned prior to the schedule closing date of submission of this EOI. Bidder should preferably be able to provide all the services, however, in case of JV/Consortium, the lead Bidder should be able to provide at least two out of the three services and one service may be provided by the JV /Consortium partner.

4.2 Bidder should have well defined and documented QHSE policies/procedures to ensure quality and safe work performance during the operations. Bidder is required to provide brief on Health, Safety, Environment and Quality Assurance systems followed in the last five years (**Appendix 3**).

- 4.3 Bidder should have adequate capabilities, resources and personnel to provide and execute required services. Bidder required to provide details of work in hand and past contract details **(Appendix 1 & 2)**.
- 4.4 Bidders make themselves aware of the Indian regulatory requirements that apply to carrying out the scope of work with respect to licenses, and other applicable rules for carrying out the work; Bidder with knowledge of the area of operations and by its independent observations and enquiries to have fully informed and satisfied itself as to the nature of the area of operations, means of access, local facilities, climatic conditions, labour conditions and practices, local terrain conditions, local logistical requirements, any and all security, fire, safety explosives or other regulations, permissions which may affect the execution of the Works, all environmental concerns and conditions, the nature, extent and practicability of the Works and all matters whatsoever affecting in safe carrying out of the broad Scope of Work indicated. **(Block details and tentative well details are given in Annexure - 1)**.
- 4.5 Bidder to submit Organisational outline proposal detailing their nominated management, staff, and business process support to carry out an Offshore Deepwater Drilling campaign for all types of wells. Bidder to provide details of his Management, Operating and Maintenance schemes with copies of their certification wherever applicable.
- 4.6 Bidders required to provide Details of Equipment, Resources directly owned/outsourced and **average age** of equipment and resources proposed for the Company's Deepwater drilling programme. Bidder also requested to provide the **working methodology** in case the Bidder is not able to provide all the services on its own.
- 4.7 Bidder to indicate realistic Mobilization period for tool and Equipment (including Manpower) from date of LOA if awarded.
- 4.8 Bidder required providing case histories / references of similar work done for the services applying for and including a complete inventory of tools/tackles and best practices in line with new technologies and new regulations for deepwater drilling.
- 4.9 Any other information which is relevant to the services and establish that Bidder is a competent equipment/material/service provider.
- 4.10 **Financial and other criteria:** Bidder's net worth during the last 3 years shall be positive. Audited financial statements for the last three years are required to be submitted. Bidders who themselves do not meet the above net worth criteria can also be considered provided that the net worth of the ultimate / holding parent company in the last financial year shall be positive. Copy of the latest published Audited Annual Report to be submitted by the ultimate / holding parent company.

Address for Communication

Interested Bidders are requested to visit our website www.oil-india.com for further details on the above and submit their Expression of Interest latest by 17.06.2014 till 17:00 Hrs (IST) to the following address :

**General Manager (CMC)
For Sr. Manager (C&P) (CEMG)
Oil India Limited, FC-24, 5th Floor,
IT Infrastructure Building, Sector-16A,
NOIDA-201301 [email ID: cemg_c&p@oilindia.in;rupakkalita@oilindia.in]**

For any technical clarifications, interested Bidders may contact:

**Mr. Ghana Gogoi
Head-CEMG(Project)
Oil India Limited, FC-24, 5th Floor,
IT Infrastructure Building, Sector-16A,NOIDA-201301
e-mail id: ghana_gogoi@oilindia.in**

Appendix 1

Current and Potential workload: Please fill up the following table with relevant data and documentary evidence

Client/ Project/ Nature of service	Progress as on date of submission of EOI	Contract value Million USD	Type of activity	Peak man power	Role	Award date	Planned Completi on date	Was the mobilizati on time and as scheduled	Major down time and reasons

Appendix 2

Past Contract Details: Please provide the past 5 years contract details in the following format with documentary evidence where ever required.

Client/ Project/ nature of services	Mobilization date vs contractual mob date	Contract value Million USD	Type of activity	Peak man power	Role	Award date	Planned completion date vs Actual completion date	Was the Bidder ever blacklisted due to bad performance/ non mobilization/ non adherence to any Operator's contractual terms and conditions/ breach of contract

Appendix 3

Documentary evidence showing that the Bidder has a comprehensive Quality, Health, Safety and Environmental management system in place which demonstrates adherence to Bidder's QHSE commitments and Regulatory requirements. Bidder requested to provide the Safety statistics Details for the last 3 years.

Bidder required to provide a brief with copies of certification wherever applicable need to be submitted covering, but not limited to, the following salient features:

1. The Bidder's HSE Management System including risk register
2. The Bidder's Quality Management System and Procedures
3. Process Safety Information and Hazard Analysis – at workshop and on Rig and other work areas
4. Standard Operating Procedures
5. Lifting Gear Policy, standards and procedures
6. Training and Competence standards
7. Management of Subcontractors
8. Equipment Integrity standards
9. Permit-to-work system
10. Management of Change
11. Incident Investigation and Analysis
12. Emergency Planning and Response
13. Occupational Health
14. Drugs and Alcohol
15. Security
16. QA/QC standards and procedures
17. Audit and Review

Annexure 1
PROPOSED DRILLING SCHEDULE :

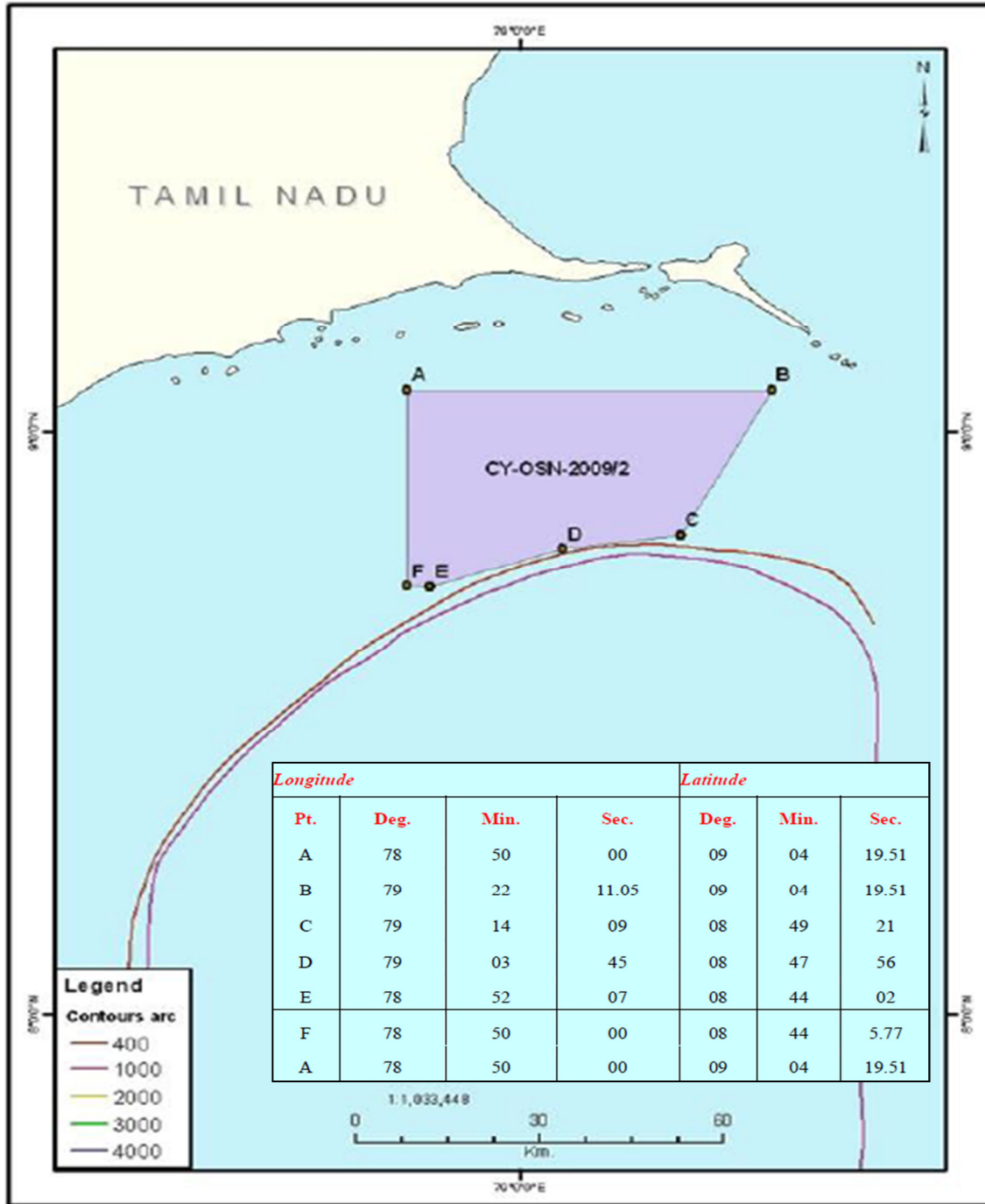
Block	CY-OSN-2009/2
Likely commencement date	Beginning 4 th Quarter 2014
Drilling Programme	OIL has a firm program of drilling two(2) firm wells and one (1) optional well in the above block
Water Depth Range	400 to 900 meters
Drilling Depth	Average 5500 meters Below Mud Line (BML)
Pressure and Temperature	Preliminary studies indicative of Normal Pressure and Temperature regime
Supply Base	At this point of time, Tuticorin on the East coast is being studied. However, the base/s could be anywhere in the East coast to provide services to save time.

PROVISIONAL WELL DETAILS

Planned exploratory wells in the block are expected to be vertical wells. The wells will be drilled from independent locations. The tentative casing scheme for the wells is indicated below:

Casing	Hole Size (in)	Size (in)	Weight (ppf)	Grade	Connection	Depth (m)
Conductor	Jetted	36"	533	X56	RL4/D90	+/- 80m BML
Surface	26"	20"	133	X52	RL4/D90	+/- 500m BML
Intermediate	20"	16"	94.5	L80	Hydril/ Premium	+/-1150m BML
Intermediate	17.1/2"	13.3/8"	68/72	L80/P110/Q125	BTC/Premium	+/-2200m BML
Intermediate	14.3/4"	11.3/4"	60/65/71	L80/P110/Q125	Hydril/Premium	+/-2700m BML
Production	12.1/4"	9.5/8"	47/53.5	L80/P110/Q125	Premium	+/-4500m BML
Liner	8.1/2"	7"	29	L80/P110/Q125	Premium	+/-5200m BML
6" Contingent Hole	6"	4 1/2"	12.6	L80/P110/Q125	Premium	5500 m BML

Block Details



INDEX MAP OF BLOCK CY-OSN-2009/2

End of EOI