

F.A.Q. against Tender No. CIG3289P15

A. SUB-SURFACE

1. What previous studies conducted for the exploitation of oil from Baghewala will be made available?

Reply: One study was carried out by a prominent service provider, however we will not share the result of the study.

2. How many PVT studies are available, specifically viscosity vs temperature studies ? From which formation?

Reply: No PVT studies are available. However, viscosity vs temperature data of couple of wells (Baghewala # 1 & Punam # 1) are available.

3. Have any SCAL studies been conducted? How many samples and from which formation?

Reply: No SCAL has been carried out in-house. However, set of relative permeability and capillary pressure curves measured by a service provider are available for all the three formations.

4. Page 72, 2nd paragraph refers to data cropping and merging of the two 3D data sets - has this been attempted previously? If so, were there problems attempting to merge the datasets?

Reply: 3D Data merging has been done for two blocks Baghewala PML & RJ-ONN-2004/2 by M/s GGR. Minor shift in the horizons were observed after merging the data sets.

5. Page 72, ii) refers to static modelling - does the previous static model constructed by ECL encompass only the area of the four Baghewala wells or the entire project area covered by the 3D surveys?

Reply: Previous static model constructed by ECL encompass only the area of the four Baghewala wells not the entire 3D Survey area.

6. page 73, e) refers to prospect analysis - is this in reference to the 4 development wells to be drilled or is this referring to identification of additional exploration prospects?

Reply: It refers to the identification of additional prospect within the study area.

7. page 73, e) - what is specifically meant by "prospect analysis"?

Reply: It refers reservoir delineation with the help of 3D Seismic Interpretation and available geoscientific data.

8. page 73, f) refers to petrophysical analysis - will oil saturation maps be an expected product?

Reply: Yes, oil saturation maps within the study area need to be prepared.

9. page 73, g) refers to volume of hydrocarbon originally in place to be calculated as per SPE/WPC norms. Does this also include Resources/Reserves estimates?

Reply: Yes, it includes resource/reserves estimates.

10. page 73, g) refers to material balance techniques – what pressure data is available for material balance modelling.

Reply: As sufficient pressure production data is not available, material balance techniques will not be applicable.

11. page 73, g) refers to the prospects identified - is this in reference to the 4 development wells to be drilled or is this referring to identification of additional exploration prospects?

Reply: Referring to identification of additional exploration prospects as well.

12. Appendix-1: The 3D surveys were acquired at 30 fold (5x6). Assuming this low fold data was due to the shallow target depth (1400 metres), is the quality of the data high enough resolution to image the hydrocarbon-bearing sands and their seismic attributes?

Reply: Quality of 3D Seismic data is fair enough to image the hydrocarbon-bearing sands and their seismic attributes. Recently, Pre-stack inversion study was carried out in the block.

B. Surface

1. Is there a source of water in case steam is selected as the technology?

Reply: Apparently no water source is available in nearby area. Therefore, proper planning has to be done for availability the same.

We believe, Resource planning would be the next phase after selection of appropriate production technology and release of well location.

2. We request OIL to clarify the level and scope of the techno-economics. Whether a full fledged field development economics or a high level economics without considering the field contract provisions or Government tax/cost recovery considerations.

Reply: Scope of the study is clearly mentioned under clause no. 12. Broad Scope of Work of the tender document.

Detailed discussion will be done after award of contract.

3. It is proposed for a stage wise approach instead of the schedule/scheme provided in the tender. The stage wise approach will allow OIL to proceed to the next Phase based on the results at the end of each phase. Is it acceptable?

Reply: Thanks for your suggestion. Approach methodology for exploitation of heavy oil is also a part of the study. We would like to refer to the Scope of work of the tender document.

Detailed technical discussion will be held after award of contract to define way forward.

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A. Wells Clarifications

Phase I

1. Section 12.1.5 (a) . Techno-Economic Feasibility as part of Basis of Completion Design . The design will cover the technical feasibility as part of the design. However, economics for completion is not done as standalone exercise . it becomes a part of the overall economic model. Please clarify.

Reply: CONSULTANT shall perform **Techno-economic feasibility analysis** for selection of best suited well completion engineering design.

2. Section 12.1.4 (g) Basis of Well Design and Section 12.1.5 (c) Basis of Completion Design . Hazid/Hazop study . the designs as a standard requirement will cover a risk register and with recommended mitigation procedures as normal for drilling, testing and completing the wells. We understand that the Hazid/Hazop studies listed in the scope are corresponding to the risk register and mitigation procedures. Please clarify.

Reply: Yes, Hazid/Hazop studies listed in the scope are corresponding to the risk register and mitigation procedures.

3. Section 12.1.5 (f) Bit selection and (i) Cement additives . in the absence of specific service providers (as it is determined in Phase II), at the end of Phase 1 generic designs can only be provided. Once the service providers are selected in Phase II, before the mobilization to commence Phase III, the specific recommendations will be made. Please clarify.

Reply: The condition stated under cement additives is acceptable to us. That is, generic design is acceptable initially, however, specific recommendations are required to be made before commencement of phase-III.

Bit selection has to be done in Phase-I. However, procurement strategies can be worked out in phase . II.

Phase II

4. Section 12.2.1 Tender Documentation . Please clarify whether the Consultant is required to prepare only the technical scope of work with a price bid matrix or the entire tender document including general and special conditions of contract.

Reply: COSULTANT shall prepare only **Technical Scope of Work, Price bid matrix and special terms and conditions.**

5. Section 12.2.1 Tender Documentation . The Consultant shall depute their representatives for the pre-Tender meetings . as the Price Bid Format is a lumpsum for this Section, please advise how many days at OIL office to be assumed for the Consultant to be present for the pre-spud meetings?

Reply: CONTRACTOR shall depute their representative for the Pre-Tender meetings of all tender processes for procurement of certain materials and hiring of services. (Ref. Clause no. 12.2.1 of the tender document). Normally, such Pre- Tender conference is held for one day. CONTRACTOR may plan their visit accordingly.

6. Section 12.2.1 Tender Documentation . Consultant shall perform tendering processes for the procurement of the above materials and hiring services. OIL is requested to clarify this activity and what is expected from the Consultant. How many days the Consultants need to be at OIL office? Does OIL need technical personnel only or contracts/procurement consultants also are required?

Reply: Refer to clause no. 12.2.1, 12.2.2, 12.2.3 of the tender document.

One Purchase and Contract analyst would be required as specified under 15.2 of the tender document.

7. Section 12.2.2 Technical Scrutiny . As the price bid format is a lumpsum for this action (as per Proforma II Phase-II, 2 (c), (d) and (e)), OIL is requested to clarify whether the work will be carried out in Consultant office or OIL office. If OIL office, how many days for technical and contract/procurement personnel to be considered? If Contractor's office, how will the documents be sent? Will the documents for all services and tangibles procurement sent together or in batches?

Reply: Electronic copy of the Bid document shall be sent through E-mail to the CONSULTANT for Technical scrutiny in their office and Bid Evaluation Report would be sent to COMPANY for approval in similar way.

COMPANY may arrange for Technical Discussion at Jodhpur/Noida during Phase-II in the event of any critical issues arising out during the Tendering process, those could not be resolved through other communication.

Bid Documents will be sent in batches and would be based on procurement strategy.

8. Section 12.2.3 Technical Discussions . As the price bid format is a lumpsum for this, OIL is requested to clarify how many days for technical and contract/procurement personnel to be considered at OIL designated offices?

In order to estimate the lumpsum value, complete clarify is required for the entire Phase II. We request OIL to help to clarify and bring clarity.

Reply: COMPANY may arrange for Technical Discussion at Jodhpur/Noida during Phase-II in the event of any critical issues arising out during the Tendering process, those could not be resolved through other communication.

Phase III

9. Section 12.3.1 Supervision and Monitoring . Please clarify whether drilling expert and Completion expert are required to be office based project management experts or rig based supervision experts.

Reply: Drilling expert and Completion expert are required to be rig based with the qualification and experience mentioned under 15.2 of the Tender document and would be supported by technical team at CONSULTANT office.

10. Section 12.3.1.1 and 12.3.2 . As the cost for these activities are lumpsum as per the price bid format, we assume that these will be carried out in Contractor's offices. Please clarify.

Reply: Activities under 12.3.1.1 and 12.3.2 shall be carried out in CONSULTANT office. Final report shall be submitted to COMPANY along with detailed presentation at Jodhpur/Noida at the end of Phase-III.

B. Terms & Conditions Clarifications

Clarification 1

Contractor observes point 2.14 on page 27 of the tender

There must be no exception to the following Clauses including sub-clauses, otherwise the Bid will be rejected:

- Performance Guarantee Bond Clause
- Tax liabilities Clause
- Insurance Clause

- Force Majeure Clause
- Termination Clause
- Arbitration Clause
- Liability Clause
- Applicable Law Clause

Contractor understands we cannot seek any deviation or exception to the clauses, however is Contractor allowed to add clauses under the applicable headings of Insurance, Liability etc without the bid being rejected.

Reply: Please clarify the changes/addition those are required for the said clauses.

Clarification 2

Contractor observes clause 8.1 of the Contract, where by Company will be deducting a Corporate income tax from the Contractor. Please could the Company confirm at what rate / percentage would be applicable that would be deducted from Contractors invoice.

8.1 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.

Reply:

- (i) Withholding Tax shall be deducted from the payments to the foreign companies in terms of Section 195 of the Income Tax Act 1961.
- (ii) In case of agreement under DTAA, Withholding Tax shall be deducted at the rates prescribed under DTAA or the Tax rates applicable under section 195 of the Income Tax Act 1961, whichever is lower.
- (iii) The Foreign Companies may however obtain Certificate for deduction of Withholding Tax at lower rates under section 195(3) / Section 197. In such case, Withholding Tax shall be deducted at such lower rate as per the Certificate issued by Indian Tax Authorities.

Note : - (i) It has been observed from our experience in the past that all Foreign Companies have been obtaining Certificate under Section 195(3) / Section 197 of the Income Tax Act 1961, for deduction of Withholding Tax at lower rates (generally 10%).

(ii) Foreign accompany is required to obtain PAN in India failing which withholding tax shall be deducted @ 20% or withholding tax applicable u/s 195 of IT act,1961 whichever is higher.

Clarification 3

Contractor observes clause 9.1 of the Contract, whereby Company can request to increase Contractor's insurance levels as Company sees fit, at the full cost of the Contractor. As this amount has not been capped, can Company indicate if it would be Company's intentions to do this during the term of the contract, as this does create a lot of exposure to Contractor.

9.1 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 Contractor's account.

Reply: Idea behind this clause is to ensure that Contractor's man, material and equipment should be adequately covered as per the statutory requirement.
