

TENDER NO. / IFB NO. CEG0335L16

Tender No. / IFB No. CEG0335L16 for Hiring of two Mud Logging Units (one firm + one optional) to provide Mud Logging services in the NELP VI Block KG-ONN-2004/1 of Andhra Pradesh and Yanam district of Puducherry, India has been addressed to the following parties:

- i) M/s. Geokrak SP.ZO.O**
- ii) M/s. Weatherford Oil Tool M.E. Ltd.**
- iii) M/s. Oil Field Instrumentation (India) Ltd.**
- iv) M/s. Schlumberger Asia Services Ltd.**
- v) M/s. Geologging Industries Ltd.**
- vi) M/s. Orogenic Geologging SDN BHD**
- vii) M/s. Cyratron Techmation & Oilex Systems Pvt. ltd.**
- viii) M/s. PetroServices GmbH**

The interested Parties, other than the above who meet the ‘Qualifying criteria’ as indicated in the Tender may also apply for issue of Tender documents. Such application must reach Project office at Kakinada on or before **07.03.2016. The application must be complete in all respects and the same should accompany all the requisite documents as indicated in Bid Evaluation Criteria (BEC)/Bid Rejection Criteria (BRC) and the following, failing which the application will be considered as rejected:**

- (a) To submit ‘Quality Assurance System certified ISO 9001 or equivalent or Company’s own established equivalent QA system.**
- (b) To submit ‘Safety records detailed for accidents, injuries, damage and summarized for near misses, LTI over the past 2 years, reckoned from Techno-commercial Bid Closing Date.**

Late application and any delay by post/courier will not be entertained.

FORWARDING LETTER

M/s. _____

Sub: Tender No. / IFB No. CEG0335L16 for Hiring of two Mud Logging Units (one firm + one optional) to provide Mud Logging services in the NELP VI Block KG-ONN-2004/1 of Andhra Pradesh and Yanam district of Puducherry, India

Dear Sirs,

1.0 OIL INDIA LIMITED (OIL), Government of India Enterprise, is premier oil Company engaged in exploration, production and transportation of crude oil & natural gas with its Headquarters at Duliajan, Assam. A Consortium of OIL INDIA LIMITED (OIL) and GeoGlobal Resources (Barbados) Inc. where OIL is the operator, plan to drill 5 (five) exploratory/appraisal wells in the on-land exploration areas/blocks, KG-ONN 2004/1.

2.0 In connection with its operations, OIL invites International Competitive Bids (ICB) from shortlisted Contractors through OIL's e-procurement site for providing above services. One complete set of Bid Document covering OIL's IFB for hiring of above services is uploaded in OIL's e-procurement portal and Govt. portal. You are invited to submit your most competitive bid on or before the scheduled bid closing date and time through OIL's e-procurement portal. For your ready reference, few salient points of the IFB (covered in detail in the Bid Document) are highlighted below:

(i)	Tender No.	CEG0335L16
(ii)	Type of Bid	Single Stage - Two Bid System
(iii)	Techno-commercial Bid Closing Date & Time	As per online tender
(iv)	Techno-commercial Bid Opening Date & Time	As per online tender
(v)	Priced Bid Opening Date & Time	Will be intimated to the eligible bidder(s) nearer the time
(vi)	Bid Opening Place	Office of Executive Director (KGB&BEP), Oil India Limited D.NO.11-4-7; 3rd Floor Nokalamma Temple Street Ramaraopet, Kakinada-533004 Andhra Pradesh, India

(vii)	Bid Validity	180 days from date of closing of techno commercial bid
(viii)	Bid Security Amount	INR 3.18 Lakhs or USD 5,300.00
(ix)	Bid Security Validity	210 days from date of closing of techno commercial bid
(x)	Mobilization Time	<p>(i) Mud Logging Unit / equipment, spares and all other necessary materials: Within 45 (forty-five) days</p> <p>(ii) Personnel for providing mud logging services: Within 3(three) days</p> <p>(iii) Interim mobilization of Mud Logging Unit / equipment, spares and all other necessary materials: Within 30 (thirty) days</p>
(xi)	Amount of Performance Guarantee	7.1/2% of the total estimated Contract value
(xii)	Validity of Performance Security	6 (six) months beyond the date of completion of the Contract
(xiii)	Duration of the Contract	The contract shall be for a period of 12 months for drilling and completion of 5 wells with a provision for extension by further 12 (Twelve) months at the same rates, terms and condition.
(xiv)	Quantum of Liquidated Damage for Default in Timely Mobilization	1/2% of estimated total Contract value for delay per week or part thereof subject to maximum of 7.5%
(xv)	Bids to be addressed to	<p>Executive Director (KGB & BEP)</p> <p>Oil India Limited</p> <p>D.NO.11-4-7; 3rd Floor</p> <p>Nookalamma Temple Street</p> <p>Ramaraopet, Kakinada-533004</p> <p>Andhra Pradesh, India</p>

3.0 **Integrity Pact:**

The Integrity Pact must be uploaded in OIL's E-procurement portal along with the Techno-commercial Bid digitally signed by the same signatory who signed the Bid i.e. who is duly authorized to sign the Bid. Any Bid not accompanied by the Integrity Pact digitally signed by the bidder shall be rejected straightway.

4.0 **GUIDELINES FOR PARTICIPATING IN OIL'S E-PROCUREMENT:**

To participate in OIL's E-procurement tender, bidders should have a legally valid Digital Signature Certificate as per Indian IT Act from the licensed Certifying Authorities operating under the Root Certifying Authority of India (RCAI), Controller of Certifying Authorities (CCA) of India (<http://www.cca.gov.in>). The digital signature should be of Class 3 digital certificate for the designated individual with organization name. Bidders must have a valid User Id to access OIL e-Procurement site. Bidders, who do not have a user id, can click on **Guest** login button to view the available open tenders. **The detailed guidelines are available in OIL's e-procurement site (Help Documentation).** For any clarification in this regard, bidders may contact our ERP team at erp_mm@oilindia.in, Ph.: (+91) 374 2807171.

5.0 **IMPORTANT NOTES:**

Bidders shall take note of the following important points while participating in OIL's e-procurement tender:

- i) The bid along with all supporting documents must be submitted through OIL's E-procurement site only except the following documents which shall be submitted manually by the bidder in sealed envelope superscribed with OIL's IFB No. and Bid Closing date to Executive Director, KG Basin Project, Oil India Limited, D.No.11-4-7; 3rd Floor, Nokalamma Temple Street, Ramaraopet, Kakinada-533004, India:
 - a) Original Bid Security
 - b) Any other document required to be submitted in original as per tender requirement.
 - c) Printed catalogue and Literature, if called for in the tender.
 - d) Power of Attorney for signing the bid.

The above documents including the Original bid security must be received at OIL's office of the Executive Director on or before the bid opening date and time. A scanned copy of the Bid Security shall also be uploaded by the bidder along with their Techno-commercial Bid in OIL's E-procurement site.

- ii) Bid should be submitted online in OIL's E-procurement site up to 11.00 AM (IST)(Server Time) on the date as mentioned and will be opened on the same day at 3.00 PM(IST) at the office of the Executive Director (KGB & BEP) in presence of the authorized representatives of the bidders.
- iii) The tender is invited under SINGLE STAGE-TWO BID SYSTEM. The bidders shall have to submit both the "TECHNO-COMMERCIAL" and "PRICED" bids through electronic form in the OIL's e-Procurement portal within the Bid Closing Date and Time stipulated in the e-Tender. The Techno-commercial Bid should be as per Scope of Work & Technical Specifications along with all technical related documents related to the tender and the same is to be uploaded in the **Technical**

RFx Response Page. Please note that no price details should be uploaded in the Technical RFx Response Page. Details of prices as per Bid format/priced bid can be uploaded as Attachment in the attachment link under '**Notes and Attachment**'.

OIL now looks forward to your active participation in the IFB.

Thanking you,

Yours faithfully,
OIL INDIA LIMITED

(B. Brahma)
Senior Purchase Officer
For Head-Materials
For Executive Director (KGB & BEP)

PART-I

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. BID DOCUMENTS

2.0 The services required, bidding procedures and contract terms are prescribed in the Bid Document. This Bid Document includes the following:

- (a) An "Invitation for Bids" highlighting the following points:
 - (i) Company's Tender No.
 - (ii) Bid closing date and time
 - (iii) Bid opening date, time and place
 - (iv) Bid submission place
 - (v) Bid opening place
 - (vi) The amount of Bid Security
 - (vii) The amount of Performance Guarantee
 - (viii) Quantum of liquidated damages for default in timely mobilizations
- (b) Instructions to Bidders, (Part-1)
- (c) Bid Evaluation Criteria/Bid Rejection Criteria, (Part-2)
- (d) General Conditions of Contract, (PART 3, Section-I)
- (e) Terms of reference and Technical Specifications (Section-II)
- (f) Special Conditions of Contract, (Section-III)
- (g) Schedule of Rates, (Section-IV)
- (h) Integrity Pact Proforma, (Annexure-I)
- (i) Proforma for bio data of personnel (Annexure-II)
- (j) Proforma undertaking from contractor's personnel (Annexure III)
- (k) Estimated CIF value of items at the time of import, (Proforma-A)
- (l) Price Schedule Format, (Proforma-B)
- (m) Bid Form, (Proforma-C)
- (n) Certificate of Compliance with respect to BRC, (Proforma-D)
- (o) Statement of Non-Compliance (except BRC), (Proforma-E)
- (p) Bid Security Form, (Proforma-F)
- (q) Performance Security Form, (Proforma-G)
- (r) Contract Form, (Proforma-H)
- (s) Proforma of Letter of Authority, (Proforma-I)
- (t) Authorization for Attending Bid Opening, (Proforma-J)
- (u) Format of agreement between bidder and their parent company (Attachment-I)
- (v) Parent company/ subsidiary company guarantee (Attachment-II)
- (w) Format of agreement between bidder their sister subsidiary/co-subsidiary company and the ultimate parent/holding company of both the bidder and the sister subsidiary/co-subsidiary (Attachment-III)

2.1 The bidder is expected to examine all instructions, forms, terms and specifications in the Bid Documents. Failure to furnish all information required in the Bid Documents or submission of a bid not substantially

responsive to the Bid Documents in every respect will be at the Bidder's risk & responsibility and may result in the rejection of its bid.

3.0 TRANSFERABILITY OF BID DOCUMENTS:

3.1 Bid Documents are non-transferable. Bid can be submitted only in the name of the bidder in whose name the Bid Document has been issued. However, bids in the name of 100% owned subsidiary or parent company owning 100% of Bidder Company in whose name the Bid Document has been issued shall be acceptable. Bids will be accepted only if they are in the form issued to the party.

3.2 Unsolicited offers will not be considered and will be rejected straightway.

4.0 AMENDMENT OF BID DOCUMENTS:

4.1 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 Documents through issuance of an Addendum.

4.2 The Addendum will be uploaded in OIL's E-Portal in the Technical RFx Page under the tab "Amendments to Tender Documents". Bidders shall also be intimated about the amendments through post/courier or by Fax or e-mail to all prospective Bidders to whom Company has 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. Bidders shall also check OIL's E-portal in the main page as well as the Technical RFx page time to time for any amendments to the bid documents before submission of their bids.

B. PREPARATION OF BIDS

5.0 LANGUAGE OF BIDS: 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 official and notarized English translated version, which shall govern for the purpose of bid interpretation.

5.1 **BIDDER'S/AGENT'S NAME & ADDRESS:** Bidders shall indicate in their bids their detailed postal address including the Fax/Telephone / Cell Phone Nos. and E-mail address. Similar information shall also be provided in respect of their authorized Agents in India, if any.

6.0 DOCUMENTS COMPRISING THE BID: Bids are invited under Single Stage Two Bid System. The bid to be uploaded by the Bidder in OIL's E-Tender portal shall comprise of the following components:

(i) **TECHNO-COMMERCIAL BID shall** comprise of following:

i	Complete technical details of the services and equipment specifications with catalogue, etc.
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ii	Documentary evidence established in accordance with clause 10.0
iii	Statement of compliance with respect to BRC as per Proforma-D
iv	Statement of Non-compliance (except BRC) as per Proforma-E showing the list of deviations taken by the bidder except for the conditions under BRC
v	Bid Security (scanned) in accordance with clause 11.0 hereunder. Hard copy shall reach us on or before Techno-Commercial Bid Opening Date and time.
vi	Proforma-A: List of items to be imported without the CIF values
vii	Copy of Priced bid without indicating prices (Proforma-B)
viii	Copy of Bid Form without indicating prices (Proforma-C)
ix	Integrity Pact digitally signed by OIL's competent personnel as Annexure-I attached to the bid document to be digitally signed by the Bidder.

- (ii) PRICED BID shall comprise of the following:
Bidder shall quote their prices in the following Proforma and shall upload the same in the OIL's E-Portal:**

i	Price Schedule Format, (Proforma-B)
ii	Bid Form as per Proforma-C
iii	Proforma-A showing the items to be imported with the CIF values. The Priced Bid shall contain the prices along with the currency quoted and any other commercial information pertaining to the service offered.

7.0 BID FORM: The bidder shall complete the Bid Form and the appropriate Price Schedule furnished in their Bid.

8.0 BID PRICE:

8.1 Unit prices must be quoted by the bidders on-line in figures only.

8.2 Price quoted by the successful bidder must remain firm during its performance of the Contract and is not subject to variation on any account.

8.3 All duties (except customs duty which will be borne by the Company) and taxes (excluding service tax) including Corporate Income Tax, Personal Tax, etc. and other Cess/levies payable by the successful bidder under the Contract for which this Bid Document is being 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.

9.0 CURRENCIES OF BID AND PAYMENT:

9.1 A bidder expecting to incur its expenditures in 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.

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

10.0 DOCUMENTS ESTABLISHING BIDDER'S ELIGIBILITY AND QUALIFICATIONS: These are listed in **Bid Evaluation Criteria/Bid Rejection Criteria (Part-2)**.

11.0 BID SECURITY:

- 11.1 The Bid Security is required to protect the Company against the risk of Bidder's conduct, which would warrant forfeiture of the Bid Security, pursuant to sub-clause 11.8.

- 11.2 All the bids must be accompanied by Bid Security for the amount as mentioned in the Forwarding Letter or an equivalent amount in other freely convertible currency. The Bid Security in original shall be submitted in a separate envelope as prescribed in Clause 15.3 below and shall be in any one of the following forms:

(a) A Bank Guarantee or irrevocable Letter of Credit in the prescribed format, vide **Proforma-F** or in another form acceptable to the Company: Bank Guarantee/LC issued from any of the following Banks only will be accepted:

- i) Any Nationalised / scheduled Bank in India or
- ii) Any Indian branch of a Foreign Bank or
- iii) Any reputed foreign Bank having correspondent Bank in India.

The Bank Guarantee / LC shall be valid for 30 days beyond the validity of the bids asked for in the Bid Document.

Bank Guarantees issued by Banks in India shall be on non-judicial stamp paper of requisite value, as per Indian Stamp Act, purchased in the name of the Banker.

(b) A Cashier's cheque or Demand Draft drawn on 'Oil India Limited' valid for 60 days from the date of bid opening and payable at Kakinada, Andhra Pradesh, India.

- 11.3 Any bid not secured in accordance with sub-clause 11.2 above shall be rejected by the Company as non-responsive.
- 11.4 The bidders shall extend the validity of the Bid Security suitably, if and when specifically advised by Company, at the bidder's cost.
- 11.5 Unsuccessful Bidder's Bid Security will be discharged and/or returned within 30 days after finalization of TENDER.
- 11.6 Successful Bidder's Bid Security will be discharged and/or returned upon Bidder's furnishing the Performance Security and signing of the contract. Successful bidder will however, ensure validity of the Bid Security till such

time the Performance Security in conformity with Clause 29.0 below is furnished.

11.7 Bid Security shall not accrue any interest during its period of validity or extended validity.

11.8 The Bid Security may be forfeited:

- i) If any bidder withdraws their Bid during the period of bid validity; and/ or
- ii) If any bidder alters their Bid during the period of bid validity or if the bidder increases the price during the period of bid validity; and/ or
- iii) If the bidders does not accept the LOA issued by Company within the validity of the bid; and/ or
- iv) If the bid is accepted by Company, and work is awarded but the successful bidder does not furnish the Performance Security; and/ or
- v) If the successful bidder fails to sign the Contract within reasonable time & within the period of bid validity.

11.9 In case any bidder withdraws their bid during the period of bid validity, Bid Security will be forfeited and the party shall be debarred for a period of 2(two) years.

11.10 The scanned copy of the Original Bid Security in the form of Bank Guarantee / LC/ Cashier Cheque / Bank Draft must be uploaded by bidder along with the Techno-Commercial Bid in the C-folder of OIL's E-portal. The Original Bid Security shall be submitted by the bidder to the office of Executive Director, KG Basin Project, Oil India Limited, D.No.11-4-7; 3rd Floor, Nookalamma Temple Street, Ramaraopeta, Kakinada-533004, Andhra Pradesh, India in a sealed envelope which must reach the above address before the Techno-commercial Bid Opening date and Time failing which the bid shall be rejected.

11.11 If Bank Guarantee is submitted towards 'Bid Security', then bidders have to ensure that the BG issuing bank indicate the name and detailed address (including e-mail) of their higher office from where confirmation towards genuineness of the BG can be obtained.

12.0 EXEMPTION FROM SUBMISSION OF BID SECURITY:

12.1 Central Govt. offices and Central Public Sector undertakings are exempted from submitting Bid Security.

13.0 PERIOD OF VALIDITY OF BIDS:

13.1 Bids shall remain **valid for 180** days after the date of bid opening prescribed by the Company. Bids of shorter validity will be rejected as being nonresponsive. If nothing is mentioned by the bidder in their bid about the bid validity, it will be presumed that the bid is valid for 180 days from Bid Opening Date.

- 13.2 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 through Fax or e-mail. The Bid Security provided under Para 11.0 above shall also be suitably extended. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request will neither be required nor permitted to modify their Bid.

14.0 FORMAT AND SIGNING OF BID:

- 14.1 Bids are to be submitted online through OIL's E-procurement portal with digital signature. The bid and all attached documents shall be digitally signed by the bidder using "Class 3" digital certificates [e-commerce application (Certificate with personal verification and Organization Name)] as per Indian IT Act 2000 obtained from the licensed Certifying Authorities operating under the Root Certifying Authority of India(RCAI), Controller of Certifying Authorities(CCA) of India before bid is uploaded.

The bid including all uploaded documents shall be digitally signed by duly authorized representative of the bidder holding a Power of Attorney to bind the Bidder to the contract.

If any modifications are made to a document after attaching digital signature, the digital signature shall again be attached to such documents before uploading the same. The Power of Attorney in original shall be submitted by bidder as mentioned in Para 15.1 below.

The authenticity of above digital signature shall be verified through authorized CA after bid opening and in case the digital signature is not of "Class-3" with organization name, the bid will be rejected.

Bidder is responsible for ensuring the validity of digital signature and its proper usage by their employees.

- 14.2 Any person signing the Bid or any other document in respect of this Bid Document or other relevant documents on behalf of the Bidder without disclosing his authority to do so shall be deemed to have the authority to bind the Bidder. If it is discovered at any time that the person so signing has no authority to do so, the Company may, without prejudice to any other right or remedy, cancel his Bid or Contract and hold the Bidder liable to the Company for all costs and damages arising from the cancellation of the Bid or Contract including any loss which the Company may sustain on account thereof. In addition to the above, Bid Security/ Performance Security (as the case may be) will be forfeited and the party shall be debarred for a period of 2(two) years.
- 14.3 Any Bid, which is incomplete, ambiguous, or not in compliance with the Bidding process will be rejected.

15.0 SUBMISSION OF BIDS

- 15.1 The tender is processed under Single stage – Two bid system. Bidder shall submit the Techno-commercial bid and Priced bid along with all the Annexures and Proforma (wherever applicable) and copies of documents in

electronic form through OIL's e-procurement portal within the Bid Closing Date & Time stipulated in the e-tender. The Technical Bid is to be submitted as per Terms of Reference / Technical Specifications of the bid documents and Priced Bid as per the Price Schedule. The Techno-commercial Bid shall be uploaded in the **Technical Rfx Response** Page only. Prices to be quoted as per Proforma-B shall be uploaded as attachment in the attachment link under **"Notes and Attachments"** Tab. **No price shall be given in the Technical Rfx Response page**, otherwise bid shall be rejected. The price bid shall not be submitted in physical form which shall not be considered. However, the following documents shall necessarily be submitted in physical form in sealed envelope superscribing the "IFB No., Brief Description of services and Bid Closing / Opening date & Time along with the bidder's name and shall be addressed to Executive Director, KG Basin Project, Oil India Limited, D.No.11-4-7; 3rd Floor, Nookalamma Temple Street, Ramaraopeta, Kakinada-533004, Andhra Pradesh, India as indicated in the IFB:

- (i) The Original Bid Security along with 2(two) copies.
- (ii) Power of Attorney for signing of the bid digitally
- (iii) Any other document required to be submitted in original as per bid document requirement.
- (iv) Printed catalogue and literature if called for in the bid document.

Documents sent through E-mail/Fax/Telex/Telegraphic/Telephonic will not be considered.

15.2 All the conditions of the Contract to be made with the successful bidder are given in various Sections of the Bid Document. Bidders are requested to state their non-compliance to each clause as per Proforma-E of the bid document and the same shall be uploaded along with the Techno-commercial Bid.

15.3 Timely delivery of the documents in physical form as stated in Para 15.1 above is the responsibility of the bidder. Bidders shall send the same through Registered Post or by Courier Services or by hand delivery to the Officer in Charge of the particular tender before the Bid Closing Date and Time failing which bid shall be rejected. Company shall not be responsible for any postal delay / transit loss.

15.4 E-mail/Fax/Telex/Telegraphic / Telephonic offers will not be accepted.

16.0 INDIAN AGENTS: Foreign Bidders are requested to clearly indicate in their bid whether they have any agent in India. If so, the bidders shall furnish the name and address of their agents and state clearly whether these agents are authorized to receive any commission. The rate of the commission included in the rates quoted by bidder shall be indicated which would be payable to Agent in non-convertible Indian currency according to Import Trade Regulation of India. Unless otherwise specified, it will be assumed that an agency commission is not involved in the particular Bid. Further, Bidders are requested to submit their bid directly and not through their agents in India. Offers made by Indian agents on behalf of their foreign principals will be rejected. Moreover, one Indian Agent cannot represent more than one foreign bidder against the IFB. In case an Indian agent represents more than one foreign bidder against the IFB, then Bids of such Foreign bidders shall be rejected against the IFB.

17.0 DEADLINE FOR SUBMISSION OF BIDS:

- 17.1 Bids shall be submitted on-line as per the online tender submission deadline. Bidders will not be permitted by System to make any changes in their bid / quote after the bid has been submitted by the bidder. Bidder may however request the Tender Dealing Officer for returning their bids / quote before the original bid closing date and time for resubmission. But no such request would be entertained once the submission deadline has reached or bids are opened.
- 17.2 No bid can be submitted after the submission dead line is reached. The system time displayed on the e-procurement web page shall decide the submission dead line.
- 17.3 The documents in physical form as stated in Para 15.1 must be received by Company at the address specified in the "Forwarding Letter" on or before the Bid Opening date & Time mentioned in the "Forwarding Letter". Timely delivery of the same at the address mentioned in the Forwarding Letter is the responsibility of the Bidders.

18.0 LATE BIDS: Bidders are advised in their own interest to ensure that their bids are uploaded and submitted in system before the closing date and time of the bid. The documents in physical form if received by the Company after the deadline for submission prescribed by the Company shall be rejected and shall be returned to the Bidders in unopened condition immediately.

19.0 MODIFICATION AND WITHDRAWAL OF BIDS:

- 19.1 The Bidder after submission of Bid may modify or withdraw its Bid by written notice prior to Bid Closing Date & Time.
- 19.2 The Bidder's modification or withdrawal notice shall be sent by fax / E-mail but followed by a signed confirmation copy, postmarked not later than the deadline for submission of Bids.
- 19.3 No Bid can be modified or withdrawn subsequent to the deadline for submission of Bids.
- 19.4 Once a withdrawal letter is received from any bidder, the offer will be treated as withdrawn and no further claim / correspondences will be entertained in this regard.
- 19.5 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 and bidder shall also be debarred from participation in future tenders of OIL.

20.0 EXTENSION OF BID SUBMISSION DATE:

Normally no request for extension of Bid Closing Date & Time will be entertained. However, Company at its discretion, may extend the Bid Closing Date and/or Time due to any reasons. In case of receipt of only one Bid on the Bid Closing Date and Time, Company may extend the Bid Closing

/Opening Date by 2(two) weeks. However, the bidder whose bid has been received within the bid closing date and time will not be allowed to revise their Bid/prices. Withdrawal of such Bid also will not be permitted.

[C] BID OPENING AND EVALUATION:

21.0 OPENING OF TECHNO-COMMERCIAL BIDS:

- 21.1 Company will open the Bids, including submission made pursuant to clause 19.0, in the presence of Bidder's representatives who choose to attend at the date, time and place mentioned in the Forwarding Letter. However, an authorization letter (as per **Proforma-J**) from the Bidder must be produced by the Bidder's representative at the time of Bid Opening. Unless this Letter is presented, the representative will not be allowed to attend the Bid Opening. The Bidder's representatives who are allowed to attend the Bid Opening shall sign a register evidencing their attendance. Only one representative against each Bid will be allowed to attend. In Techno-commercial bid opening, only Technical RFx Response page will be opened. Bidders therefore shall ensure that Techno-commercial bid is uploaded in the Technical RFx Response Page only.
- 21.2 In case of any unscheduled holiday or Bandh on the Bid Opening Date, the Bids will be opened on the next full working day. Accordingly, Bid Closing Date / time will get extended up to the next working day and time.
- 21.3 Bid for which an acceptable notice of withdrawal has been received pursuant to clause 19.0 shall not be opened. Company will examine bids to determine whether they are complete, whether requisite Bid Securities have been furnished, whether documents have been properly signed and whether the bids are generally in order.
- 21.4 At bid opening, Company will announce the Bidder's names, written notifications of bid modifications or withdrawal, if any, the presence of requisite Bid Security and such other details as the Company may consider appropriate.
- 21.5 Company shall prepare, for its own records, minutes of bid opening including the information disclosed to those present in accordance with the sub-clause 21.4.
- 21.6 Normally no clarifications shall be sought from the Bidders. However, for assisting in the evaluation of the bids especially on the issues where the Bidder confirms compliance in the evaluation and contradiction exists on the same issues due to lack of required supporting documents in the Bid (i.e. document is deficient or missing), or due to some statement at other place of the Bid (i.e. reconfirmation of confirmation) or vice versa, clarifications may be sought by OIL. In all the above situations, the Bidder will not be allowed to change the basic structure of the Bid already submitted by them and no change in the price or substance of the Bid shall be sought, offered or permitted.
- 21.7 Prior to the detailed evaluation, Company will determine the substantial responsiveness of each bid to the requirement of the Bid Documents. For purpose of these paragraphs, a substantially responsive bid is one, which

conforms to all the terms and conditions of the Bid Document without material deviations or reservation. A material deviation or reservation is one which affects in any way substantial way the scope, quality, or performance of work, or which limits in any substantial way, in-consistent way with the Bid Documents, the Company's right or the bidder's obligations under the contract, and the rectification of which deviation or reservation would affect unfairly the competitive position of other bidders presenting substantial responsive bids. The Company's determination of Bid's responsiveness is to be based on the contents of the Bid itself without recourse to extrinsic evidence.

- 21.8 A Bid determined as not substantially responsive will be rejected by the Company and may not subsequently be made responsive by the Bidder by correction of the non-conformity.
- 21.9 The Company may waive minor informality or nonconformity or irregularity in a Bid, which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.
- 21.10 The Company shall perform Technical evaluation of the responsive bid(s) on the basis of **Section II 'Terms of Reference and Technical Specifications'** and **Part-2 'Bid Rejection Criteria/Bid Evaluation Criteria'**. Pursuant to Clause 21.0, the Company shall determine the successful Techno-commercial bid(s) for Price Bid opening.

22.0 OPENING OF PRICED BIDS:

- 22.1 The Company will open the Priced Bids of the technically qualified Bidders on a specific date in presence of representatives of the interested qualified bidders. Technically qualified Bidders will be intimated about the Priced Bid Opening Date & Time in advance. In case of any unscheduled holiday or Bandh on the Priced Bid Opening Date, the Bids will be opened on the next working day.
- 22.2 The Company will examine the Price quoted by Bidders to determine whether they are complete, any computational errors have been made, the documents have been properly signed, and the bids are generally in order.

23.0 CONVERSION TO SINGLE CURRENCY: While evaluating the bids, the closing rate of exchange (CC rate) declared by State Bank of India on the day prior to price bid opening will be taken into account for conversion of foreign currency into Indian Rupees. Where the time lag between the opening of the price bids and final decision exceeds three months, the rate of exchange declared by State Bank of India on the date prior to the date of final decision will be adopted for conversion.

24.0 EVALUATION AND COMPARISON OF BIDS: The Company will evaluate and compare the bids as per **BID REJECTION CRITERIA (BRC) / BID EVALUATION CRITERIA (BEC), Part-2** of the Bid Documents.

- 24.1 **DISCOUNTS / REBATES:** Unconditional discounts/rebates, if any, given in the bid or along with the bid will be considered for evaluation.

- 24.2 Post bid or conditional discounts/rebates offered by any bidder shall not be considered for evaluation of bids. However, if the lowest bidder happens to be the final acceptable bidder for award of contract, and if they have offered any discounts/rebates, the contract shall be awarded after taking into account such discounts/rebates.
- 24.3 **LOADING OF FOREIGN EXCHANGE:** There would be no loading of foreign exchange for deciding the inter-se-ranking of domestic bidders.
- 24.4 **EXCHANGE RATE RISK:** Since Indian bidders are now permitted to quote in any currency and also receive payments in that currency, Company will not be compensating for any exchange rate fluctuations in respect of the services.
- 24.5 **REPATRIATION 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. A condition to this effect would be incorporated by the Company in the contract.

25.0 CONTACTING THE COMPANY:

- 25.1 Except as otherwise provided in Clause 21.0 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 except as required by Company vide sub-clause 21.6.
- 25.2 An effort by a Bidder to influence the Company in the Company's bid evaluation, bid comparison or Contract award decisions may result in the rejection of their bid.

D. AWARD OF CONTRACT

- 26.0 AWARD CRITERIA:** The Company will award the Contract to the successful Bidder 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.
- 27.0 COMPANY'S RIGHT TO ACCEPT OR REJECT ANY BID:** Company reserve the right to accept or reject any or all bids and to annul the bidding process and reject all bids, at any time prior to award of contract, without thereby incurring any liability to the affected bidder, or bidders or any obligation to inform the affected bidder of the grounds for Company's action.

28.0 NOTIFICATION OF AWARD:

- 28.1 Prior to the expiry of the period of bid validity or extended validity, Company will notify the successful Bidder in writing by registered letter or by fax or Email (to be confirmed in writing by registered / couriered letter) that its Bid has been accepted.
- 28.2 The notification of award will constitute the formation of the Contract.
- 28.3 Upon the successful Bidder's furnishing of Performance Security pursuant to Clause 29.0 below, the Company will promptly notify each un-successful

Bidder and will discharge their Bid Security, pursuant to Clause 11.0 hereinabove.

29.0 PERFORMANCE SECURITY:

29.1 Within 15 (fifteen) days of receipt of notification of award from the Company, the successful Bidder shall furnish to Company the Performance Security for an amount specified in the Forwarding Letter and Letter of Award (LOA) issued by Company to Contractor awarding the contract) as per **Proforma-G** or in any other format acceptable to the Company and must be in the form of Bank Guarantee (BG) or an irrevocable Letter of Credit (L/C) from any of the following Banks:

- i) Any Nationalized / Scheduled Bank in India OR
- ii) Any Indian branch of a Foreign Bank OR
- iii) Any reputed foreign Bank having correspondent Bank in India

The Performance Security shall be denominated in the currency of the Contract or in equivalent US Dollars converted at the B.C. Selling rate of State Bank of India on the date of issue of LOA (Letter of Award). Bank Guarantees issued by Banks in India shall be on non-judicial stamp paper of requisite value, as per Indian Stamp Act, purchased in the name of the Banker.

29.2 The Performance Security specified above must be valid for 6 (six) months beyond the Contract duration. The Performance Security will be discharged by Company not later than 30 days following its expiry. In the event of any extension of the Contract period, Bank Guarantee shall be extended by Contractor by the period equivalent to the extended period.

29.3 The Performance Security shall be payable to Company as compensation for any loss resulting from Contractor's failure to fulfill its obligations under the Contract.

29.4 The Performance Security will not accrue any interest during its period of validity or extended validity.

29.5 Failure of the successful Bidder to comply with the requirements of Clause 29.0 and/or 30.0 shall constitute sufficient grounds for annulment of the award and forfeiture of the Bid Security or Performance Security. In such an eventuality, the party shall be debarred for a period of 2 (two) years from the date of default.

29.6 If Bank Guarantee is submitted towards 'Performance Bank Guarantee', then bidders have to ensure that the BG issuing bank indicate the name and detailed address (including e-mail) of their higher office from where confirmation towards genuineness of the BG can be obtained.

30.0 SIGNING OF CONTRACT:

- 30.1 At the same time as the Company notifies the successful Bidder that its Bid has been accepted, the Company will either call the successful Bidder for signing of the agreement or send the Contract Form provided in the Bid Documents, along with the General & Special Conditions of Contract, Technical Specifications, Schedule of Rates incorporating all agreements agreed between the two parties.
- 30.2 Within 30 days of issue of LOA, the successful Bidder shall sign and date the Contract and return it to the Company. Till the Contract is signed, the LOA issued to the successful bidder shall remain binding amongst the two parties.
- 30.3 In the event of failure on the part of the successful Bidder to sign the Contract within the period specified above or any other time period specified by Company, the Company reserves the right to terminate the LOA issued to the successful Bidder and invoke the Bid Security or the Performance Security if submitted by the successful Bidder. The party shall also be debarred for a period of 2(two) years from the date of default.

31.0 FURNISHING FRAUDULENT INFORMATION/DOCUMENTS:

If it is found that a bidder/contractor has furnished fraudulent information/documents, the Bid Security/Performance Security shall be forfeited and the party shall be debarred for a period of 3(three) years from the date of detection of such fraudulent act besides the legal action.

32.0 CREDIT FACILITY: Bidders shall indicate clearly in the Bid about availability of any credit facility inclusive of Government to Government credits indicating the applicable terms and conditions of such credit.

33.0 MOBILISATION ADVANCE PAYMENT:

- 33.1 Request for advance payment shall not be normally considered. However, depending on the merit and at the discretion of the Company, advance against mobilization charge may be given at an interest rate of 1% above the prevailing Bank rate (CC rate) of SBI from the date of payment of the advance till recovery/refund. However, any mobilization advance shall be given in two phases – 50% of mobilization charges before shipment of materials, equipment & tools etc. and rest 50% after the shipment is completed.
- 33.2 Advance payment agreed to by the Company shall be paid only against submission of an acceptable bank guarantee whose value shall be equivalent to the amount of advance plus the amount of interest covering the period of advance. Bank guarantee shall be valid for 2 months beyond completion of mobilization and the same may be invoked in the event of Contractor's failure to mobilize as per agreement.
- 33.3 In the event of any extension to the mobilization period, Contractor shall have to enhance the value of the bank guarantee to cover the interest for the extended period and also to extend the validity of bank guarantee accordingly.

34.0 INTEGRITY PACT:

- 34.1 Company shall be entering into an Integrity Pact with the Bidders as per format enclosed vide Annexure-I of the Bid Document, which has been digitally signed by competent authority of OIL. The Integrity Pact must be submitted with the Techno-commercial Bid duly signed by the same signatory who signed the Bid i.e. who is duly authorized to sign the Bid. Any Bid not accompanied by the Integrity Pact duly signed by the bidder shall be rejected straightway. Uploading the Integrity Pact with digital signature will be construed that all pages of the Integrity Pact has been signed by the bidder's authorized signatory who has signed the bid.
- 34.2 Company has appointed the following personnel as Independent External Monitors(IEM) to oversee implementation of Integrity Pact in Company: at the following addresses:

a)SHRI RAJIV MATHUR, IPS(Retd.),e-Mail ID : rajivmathur23@gmail.com

Bidders may contact the Independent Monitors for any matter related to the Tender

- 35.0 SITE VISIT:** The Bidder, at the Bidder's own cost, responsibility and risk is encouraged to visit and examine the site of work and its surroundings, understand the logistics and obtain all information that may be necessary for preparing the Bid and entering into a Contract for the required services/work.

The Contractor shall be deemed prior to Pre-bid Conference (if applicable) & submitting their Bid to have:

- a) Inspected and examined the Site and its surroundings and carried out such surveys as it considers necessary;
- b) Satisfied itself as to the nature of the work and materials necessary for the execution of the Works;
- c) Satisfied itself as to the circumstances at the Site, including, without limitation, the ground and sub-soil, the form and nature of the Site and the climate and hydrological conditions of the Site;
- d) Satisfied itself as to the means of communication with and access to & through the Site, the accommodation it may require and the precautions and the times and methods of working;
- e) Obtained for itself all necessary information as to the risks, contingencies and all other circumstances, which may influence or affect the Contract price and its obligations under the Contract;
- f) Satisfied itself with all the Indian as well as local conditions, factors and legislation which may have any effect on the execution of the work covered under the Bid Document;
- g) Ascertained the general labour position at the Site and have understood the cost associated with engagement of the labours.

36.0 SPECIFICATIONS: Before submission of Bids, Bidders are requested to make themselves fully conversant with all Conditions of the Bid Document and other relevant information related to the works/services to be executed under the Contract.

37.0 LOCAL CONDITIONS: It is imperative for each Bidder to fully inform themselves of all Indian as well as local conditions, factors and legislation which may have any effect on the execution of the work covered under the Bid Document. The bidders shall be deemed prior to submitting their bids to have satisfied themselves of the all aspects covering the nature of the work as stipulated in the Tender and obtain for themselves all necessary information as to the risks, contingencies and all other circumstances, which may influence or affect the various obligations under the Contract.

No request will be considered for clarifications from the Company (OIL) regarding such conditions, factors and legislation. It is understood and agreed that such conditions, factors and legislation have been properly investigated and considered by the Bidders while submitting the Bids. Failure to do so shall not relieve the Bidders from responsibility to estimate properly the cost of performing the work within the provided timeframe. Company (OIL) will assume no responsibility for any understandings or representations concerning conditions made by any of their officers prior to award of the Contract. Company (OIL) shall not permit any Changes to the time schedule of the Contract or any financial adjustments arising from the Bidder's lack of knowledge and its effect on the cost of execution of the Contract.

END OF PART-I

PART-2

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

I. BID REJECTION CRITERIA:

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

Bidders must meet the following criteria:

1.1 EXPERIENCE OF BIDDER:

The bidder must be in possession of at least two Mud Logging Unit (MLU). The bidder must provide requisite documentary evidence of owning the MLU along with their offer.

- i. The bidder must have minimum 5 (five) years of corporate experience of providing mud logging services in-house to E&P Companies as on Bid closing date.
- ii. The Bidder must have experience of providing Mud logging services to minimum 5(five) wells in last 5 (five) years as on Bid closing date.
- iii. The Bidder must have established Health, Safety, Security and Environment Management System with sound track record.

As a proof of having experience in providing above services, the bidder should provide documentary evidence (viz. well details, well locations, clients name with contact details, copies of LOA, documents showing detailed scope of work carried out, completion certificates etc. from client).

- 1.2 **VINTAGE OF TOOLS/EQUIPMENT:** The mud logging unit, sensors & other equipment should not be older than 3 (three) years as on bid closing date & OEM's certificate to this extent should be provided.

1.3 EXPERIENCE OF BIDDER'S PERSONNEL:

The bidder must confirm to provide the required number of qualified, experienced and competent manpower for carrying out the mud logging services under the contract. Bidders to provide the bio-data, experience of the proposed personnel.

- i. **Data Engineers** must have minimum 3 (three) years of Data Engineering experience as on bid closing date.
 - ii. **Mud Loggers** must have minimum 2 (two) years experiences as a mudlogger as on bid closing date.
- 1.4 **FINANCIAL STRENGTH OF BIDDER**: Average annual financial turnover during the last 3 accounting years shall be minimum **INR 0.60 Crores or USD 0.10 million** for bidders offering the service. In case the audited Balance sheet and Profit Loss Account along with the bid are in currencies other than INR or USD, the bidder shall have to convert the figures in equivalent INR or USD considering the prevailing conversion rate on the date on which the audited Balance sheet and Profit and Loss Account is signed.

In case the bidder is a subsidiary company (should be a 100% subsidiary of the parent/ultimate parent/holding company) who does not meet financial criteria (i.e. Turnover Criteria) by itself and submits his bid based on the financial strength of his parent/ultimate parent/holding company, then following documents need to be submitted:

- (i) Audited Balance sheet and Profit Loss Account of the parent / ultimate parent /holding company.
 - (ii) Corporate Guarantee on parent/ultimate parent/holding company's letter head signed by an authorized official undertaking that they would financially support their 100% subsidiary company for executing the project/job in case the same is awarded to them.
 - (iii) The bidder is a 100% subsidiary company of the parent/ultimate /holding parent company.
- 1.5 (i) In case, the bidder is a consortium of companies, the following requirement should be satisfied by the bidder:
- (a) In case of consortium of companies, the leader of consortium should satisfy the experiences 1.1 and 1.3 above. However, any one of the consortium members individually shall have to meet the financial turnover criteria as mentioned in 1.4 above.
 - (b) The Leader of consortium should confirm unconditional acceptance of full responsibility of executing the 'Scope of Work' of this bid document. This confirmation should be submitted along with the un-priced bid.
 - (c) All the members of consortium must undertake in their MOU that each party shall be jointly and severally liable to the Company for any and all obligations and responsibilities arising out of this contract. Notwithstanding anything to the contrary stated herein, the responsibility of completion of job under this Contract will be that of the consortium leader.
 - (d) MOU/ Agreement concluded by the bidder with consortium partners, should also be addressed to the Company, clearly stating that the MOU / Agreement is applicable to this Tender and shall be binding on them for the Contract period.

1.5 (ii) Eligibility criteria in case bid is submitted on the basis of technical experience of the parent/ subsidiary company:

Offers of those Bidders who themselves do not meet the technical experience criteria as stipulated in the BEC can also be considered provided the Bidder is a subsidiary company of the parent company in which the parent company has 100% stake or parent company can also be considered on the strength of its 100% subsidiary. However, the parent/ subsidiary company of the Bidder shall on its own meet the technical experience as stipulated in the BEC and shall not rely for meeting the technical experience criteria on its sister subsidiary/ co-subsidiary company or through any other arrangement like Technical Collaboration agreement. In that case as the subsidiary company is dependent upon the technical experience of the parent company or vice-versa with a view to ensure commitment and involvement of the parent/ subsidiary company for successful execution of the contract, the participating bidder shall enclose an Agreement (as per format enclosed at Attachment – I) between the parent and the subsidiary company or vice-versa and Parent/ Subsidiary Guarantee (as per format enclosed at Attachment – II) from the parent/ subsidiary company to OIL for fulfilling the obligation under the Agreement, along with the techno-commercial bid.

1.5 (iii) Eligibility criteria in case bid is submitted on the basis of technical experience of sister subsidiary/ co-subsidiary company:

Offers of those bidders who themselves do not meet the technical experience criteria stipulated in the BEC can also be considered based on the experience criteria of their sister subsidiary/ co-subsidiary company within the ultimate parent/ holding company subject to meeting of the following conditions:-

- i. Provided that the sister subsidiary/ co-subsidiary company and the bidding company are both 100% subsidiaries of an ultimate parent/ holding company either directly or through intermediate 100% subsidiaries of the ultimate parent/ holding company or through any other 100% subsidiary company within the ultimate/ holding parent company. Documentary evidence to this effect to be submitted by the ultimate parent/ holding company along with the techno-commercial bid.
- ii. Provided that the sister subsidiary/ co-subsidiary company on its own meets and not through any other arrangement like Technical Collaboration agreement meets the technical experience criteria stipulated in the BEC.

Provided that with a view to ensure commitment and involvement of the ultimate parent/ holding company for successful execution of the contract, the participating bidder shall enclose an agreement (as per format enclosed at Attachment – III) between them, their ultimate parent/ holding company and the sister subsidiary/ co-subsidiary company.

1.6 MOBILIZATION PERIOD:

- i. The Contractor must be able to **mobilize** his Mud Logging Unit / equipment, spares and all other necessary materials required for providing mud logging services within 45 (forty-five) days from the date of issue of Mobilization notice by the Company.
- ii. Contractor should mobilize the personnel for providing mud logging services within 3 (three) days from the date of issue of Mobilization notice for personnel by the Company.
- iii. The Contractor must be able to **remobilize (Interim mobilization)** his Mud Logging Unit / equipment, spares and all other necessary materials required for providing mud logging services within 30 (thirty) days from the date of issue of Remobilization notice by the Company.

1.7 OTHER REQUIREMENTS:

- i. **Experience of bidder** – Statement to be furnished by bidder in tabular form along with copies of contracts / work orders / completion certificates from client/ proof of release of Performance Security/ final payment certificates issued by the clients/ any other documentary evidence that can substantiate the satisfactory execution of the contracts. All the documents, certificates, information (bio-data of personnel, vintage of unit / equipment etc.) in support of meeting above criteria must be submitted along with the bid.
- ii. Bidders must provide the information regarding oil fields / areas in which they worked during last 5 years. Bidder should also include details of experience on nearby wells as well as similar parts of the world.
- iii. Bidders must include technical brochures / specifications of all offered equipment and technology offered.

2.0 COMMERCIAL

- 2.1 The bids are to be submitted in a single stage two bid system, i.e. Techno-commercial Bid (Un-priced) and Commercial Bid (Priced) separately as per Part-1, Clause 15.1 of the Tender. Bids shall be rejected outright if the Techno-commercial Bid contains the prices.
- 2.2 Bidder shall offer **firm prices**. Price quoted by the successful bidder must remain firm during the execution of the Contract and not subject to variation on _____ any _____ account.
- 2.3 The original Bid Security shall be submitted by bidder to the office of Executive Director (KGB & BEP), KAKINADA, India in a sealed envelope and must reach office of the Executive Director, Kakinada on or before the Techno-commercial Bid Opening date. The amount of Bid Security shall be as specified in the Bid Document. Scanned copy of Bid Security shall be uploaded as a part of the Techno-commercial Bid in the Technical RFx Response page of OIL's E-portal. Any bid not accompanied by a proper bid security will be rejected.
- 2.4 The Integrity Pact, duly signed by the same signatory who signed the Bid i.e. who is duly authorized to sign the Bid, shall be furnished as a part of the

techno-commercial bid. Bids without the Integrity Pact digitally signed by the bidder shall be rejected straightway.

- 2.5 Bids with shorter validity period will be rejected as being non-responsive.
- 2.6 Any bid received in the form of Telex/Cable/Fax/Email will not be accepted.
- 2.7 The bid documents are not transferable. Bids made by bidders who have not been issued the Bid documents from the Company will be rejected.
- 2.8 Bidders shall bear, within the quoted rates, the personal tax as applicable in respect of their personnel and Sub-contractor's personnel, arising out of execution of the Contract.
- 2.9 Bidders shall bear, within the quoted rate, the corporate tax as applicable on the income from the Contract.
- 2.10 Any bid containing false statement may be liable for rejection.
- 2.11 Bidders must quote clearly and strictly in accordance with the price schedule outlined in Price-Bid Format of bidding document; otherwise the bid will be summarily rejected.
- 2.12 Bidders shall quote directly and not through their agents through India. Offers made by Indian agents on behalf of their foreign principals will be rejected. One Indian agent cannot represent more than one foreign principal.
- 2.13 Bidder must accept and comply with the following clauses as given in the Tender Document in toto failing which offer shall be rejected
 - i) Performance Guarantee Clause
 - ii) Force Majeure Clause
 - iii) Tax Liabilities Clause
 - iv) Arbitration Clause
 - v) Acceptance of Jurisdiction and Applicable Law
 - vi) Liquidated damage and penalty clause
 - vii) Safety & Labour Law
 - viii) Termination Clause
 - ix) Integrity Pact
 - x) Bid Security Clause

2.14 **Documents to be submitted along with techno-commercial bid:**

Bidders are required to submit one (1) set of the following documentation, with the specific chapters, separated by dividers, in the same order as set out here below –(a) to (p):

- a) MOU/ Agreement concluded with consortium partners along with the Techno-commercial Bid.
- b) Experience of bidder – Statement to be furnished by bidder in tabular form alongwith copies of contracts / work orders /completion certificates / proof of release of Performance Security/ final payment certificates issued

by the clients/ any other documentary evidence that can substantiate the satisfactory execution of the contracts.

- c) A separate section summarizing the contents chapter by chapter of the qualification document.
- d) Bidder's general structure and organisation, including the branch / sub-division dedicated to such activities.
- e) Details of company's Health, Safety and Environmental Policy and Programme together with HSE Management System.
- f) Safety records; detailed for accidents, injuries, damage and summarized for near-misses & LTI over the past two (2) years.
- g) Quality Assurance System certified ISO 9001 or equivalent.
- h) Details of relevant verifiable experience of similar services that has been undertaken as main contractor in the last five (five) years, inside or outside India.
- i) Description and specifications of services offered for this project.
- j) Resume of key personnel to be involved in the services experience in their respective position.
- k) Qualifier's audited accounts for the past three (3) years.
- l) All relevant information concerning contacts, telephone, fax, e-mail of the contractor's representative.
- m) Reference (including emails and telephone numbers) of three major customers that can be contacted for information / reference.
- n) Vintage of the offered equipment as per Clause 1.2 of BRC.
- o) Financial turnover of bidder – Audited balance sheets/ profit and loss accounts etc. for the past three (3) years.
- p) Contractor's general structure and organisation, including the branch/ sub-division dedicated to such activities.

Bids without the listed documents or information shall be rejected.

3.0GENERAL

- 3.1 **Performa –D:** The Compliance statement must be filled up by bidders in their technical bid. In case bidder takes exception to any clause of the bidding 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 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 BRC also and such clarification fulfilling the 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 If any of the clauses in the BRC contradicts with other clauses of bidding document elsewhere, then the clauses in the BRC shall prevail.

II BID EVALUATION CRITERIA (BEC):

The bids conforming to the technical specifications, terms and conditions stipulated in the bid documents and considered to be responsive after subjecting to the Bid rejection criteria will be considered for further evaluation as per the Bid evaluation criteria given below:

- 1.0 If there is any discrepancy between the unit price and the total price, the unit price will prevail and the total price shall be corrected. Similarly, if there is any discrepancy between words and figure, the amounts in words shall prevail and will be adopted for evaluation.
- 2.0 For conversion of foreign currency into Indian currency for evaluation of Bids, B.C. selling (Market) rate declared by State Bank of India, one day prior to the date of priced bid opening shall be considered. However, if the time lag between the opening of the bids and final decision exceeds 3(three) months, then B.C. Selling(Market) rate of exchange declared by SBI on the date prior to the date of final decision shall be adopted for conversion and evaluation.
- 3.0 The bidders must quote their charges / rates in the manner as called for vide "Schedule of Rates" under **Section - IV** and the summarized Price Bid format vide enclosed **Proforma - B**.
- 4.0 The quantities shown against each item in the "Price Bid Format" shall be considered for the purpose of Bid Evaluation. It is, however, to be clearly understood that the assumptions made in respect of the number of days/parameters for various operations are only for the purpose of evaluation of the bid and the bidder will be paid on the basis of the actual number of days/parameter, as the case may be.
- 5.0 To ascertain the inter-se-ranking, the comparison of the responsive bids will be made subject to loading for any deviation. Commercial Bids shall be evaluated taking into account the rates quoted in the **Price Bid Format (Proforma-B)**.

NOTES:

- i) All rates must be net of all discounts (Digressively if offered will not be considered for financial evaluation of the bids).
- ii) Bidder is to declare the information as requested vide **Proforma-A** against each of the items to be imported.

- iii) The number and type/details of jobs indicated are given for commercial evaluation only which are purely tentative and may fluctuate. Payment to Contractor shall be made on the basis of actual work done.
- 6.0 **Custom Duty on Imported Items/Equipment:** The services under this Contract shall be carried out in ML/PEL areas of the Company issued or renewed to Company after 01/04/99 and therefore, imports under this Contract is presently exempted from Customs Duty. OIL shall issue necessary Essentiality Certificate for availing the Nil Customs duty benefit. Bidders should take note of the same while quoting. No customs duty is therefore considered for evaluation.

END OF PART – 2
&&&&&&&

PART-3

SECTION-I

GENERAL CONDITIONS OF CONTRACT

1.0 DEFINITIONS:

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

- a) **"Affiliate"** means any Person which Controls, or is Controlled by, or under common Control with a Party; "Control" in this context means ownership of more than fifty percent (50%) of the shares of a Person and/or the right to appoint majority directors on Board by contract or otherwise;
- b) **"Approval"** as it relates to Company, means written approval;
- c) **"Company"** or "OIL" means Oil India Limited;
- d) **"Company's items"** means the equipment, materials and services, which are to be provided by Company at the expense of Company and listed in the Contract;
- e) **"Company's Personnel"** means the personnel to be provided by OIL or OIL's contractor (other than the Contractor executing this Contract). The Company representatives of OIL and Consultant deployed by OIL for supervision of operations are also included in the Company's personnel;
- f) **"Contract"** means agreement entered into between Company and Contractor, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein;
- g) **"The Contract Price"** means the price payable to Contractor under the contract for the full and proper performance of its contractual obligations;
- h) **"Contractor"** means the individual or firm or Body incorporated performing the work under this Contract;
- i) **"Contractor's items"** means the equipment, materials and services, which are to be provided by Contractor or to be provided by Company at the expense of the Contractor, which are listed in section II under Terms of Reference and Technical Specifications;
- j) **"Contractor's Personnel"** means the personnel to be provided by the Contractor from time to time to provide services as per the contract;
- k) **"Critical Sour well"** mean as documented in industry recommended practice Volume 1 (IRP 1).
- l) **"Day"** means a calendar day of twenty-four (24) consecutive hours beginning at 06:00 hrs. and ending at 06:00 hrs.;

- m) **“Gross Negligence”** means any act or failure to act (whether sole, joint or concurrent) by a person or entity which was intended to cause, or which was in reckless disregard of or wanton indifference to, avoidable and harmful consequences such person or entity knew, or shall have known, would result from such act or failure to act. Notwithstanding the foregoing, Gross negligence shall not include any action taken in good faith for the safeguard of life or property.
- n) **Deleted**
- o) **“Willful Misconduct”** means intentional disregard of good and prudent standards of performance or proper conduct under the Contract with knowledge that it is likely to result in any injury to any person or persons or loss or damage of property.
- p) **“Party”** shall mean either the Company or Contractor as the context so permits and, as expressed in the plural, shall mean the Company and Contractor collectively;
- q) **“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;
- r) **“Work”** means each and every activity required for the successful performance of the services described in Section II, the Terms of Reference.
- s) **“Co-venturers”** shall mean any co-venturers with the Company from time to time having an interest in either the PSC and/or a Joint and/or associated agreements for the purposes of exploration and production in operating Agreement the Operating Area and on whose behalf the Company would be deemed to have entered into this Contract.

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

- 2.1 **EFFECTIVE DATE:** The Contract shall become effective as of the Date Company notifies Contractor in writing (through Letter of Award) that it has been awarded the Contract. Such date of notification of award of Contract will be the Effective Date of Contract.
- 2.2 **MOBILISATION TIME:** The mobilization of Contractor’s items and personnel, as specified in the Contract, shall be completed by the Contractor within the time period as specified in Part-2 (BRC/BEC). Mobilization shall be deemed complete:
 - a. Once Contractor’s Unit, Tools, personnel, etc.(as applicable) reaches the Company’s or Contractor’s base near to the Site, Contractor shall issue a notice of inspection (stating its readiness to commence Work as envisaged under the Contract) to the Company; and
 - b. Company shall inspect the Contractor’s items within 7 (seven) days on receipt of the Contractor’s notice of inspection and certify completion of mobilization. Should Company representative report any damage/ deficiency during the inspection, the mobilization shall be completed only

after the remedy/ fulfillment of such damage/ deficiency. After completion of mobilization of Contractor's items, applicable rates will be payable.

- c. Company will issue mobilization notice to Contractor. Mobilization of personnel shall be completed once contractor's personnel reaches well site to commence the operation.

Note: The Company, at its discretion, may allow mobilization on staggered basis & mobilization charges shall be paid accordingly."

2.3 DATE OF COMMENCEMENT OF CONTRACT: The date on which the mobilization of the Unit is completed in all respects shall be treated as Date of Commencement of the Contract.

2.4 DURATION OF CONTRACT: The Contract shall be for a period of **12 (Twelve) months for drilling and completion of 5 wells with a provision for extension of further 12 (Twelve) months** at the same rates, terms and condition at the option of the company. Initially 1 (one) Mud logging Unit will be mobilized and the 2nd Unit is expected to be mobilized (subject to the existence of requirement) after 6 months from the mobilization of the 1st unit depending upon the availability of the Rig. The terms and conditions shall continue until the completion/ testing / abandonment of the well being tested at the time of the end of initial term of the Contract or any extension thereof.

3.0 GENERAL OBLIGATIONS OF CONTRACTOR: Contractor shall, in accordance with and subject to the terms and conditions of this Contract:

- 3.1 Perform the work described in the Scope of Work (Section-II) in most economic and cost effective way.
- 3.2 Except as otherwise provided in the Terms of Reference and the Special Conditions of Contract, provide all manpower as required to perform the Work.
- 3.3 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.
- 3.4 Contractor shall be deemed to have satisfied himself before submitting their 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.
- 3.5 Contractor shall give or provide all necessary supervision during the performance of the services and as long thereafter within the warranty period as Company may consider necessary for the proper fulfilling of Contractor's obligations under the Contract.
- 3.6 Take all measures necessary to protect the personnel, Work and facilities; and shall observe all safety regulations in accordance with acceptable oilfield practice and applicable Indian Laws such as Mines safety rules etc. Contractor shall take all measures reasonably necessary to provide safe working conditions and shall exercise due care & caution in preventing fire, explosion and blow out.

4.0 GENERAL OBLIGATIONS OF THE COMPANY: Company shall, in accordance with and subject to the terms and conditions of this contract:

- 4.1 Pay Contractor in accordance with terms and conditions of the contract. The period of time for which each rate shall be applicable shall be computed from and to the nearest quarter of an hour. The rates contained in the Contract shall be based on Contractor's operation being conducted on a seven (7) days week and a twenty-four (24) hours work day. Under the Contract, Contractor shall be entitled to the applicable rate defined in Section-IV (Schedule of Rates). These rates are payable when the required condition has existed for a full 24 hours period. If the required condition existed for less than 24 hours then payments shall be made on pro-rata basis.
- 4.2 Allow Contractor access, subject to normal security and safety procedures, to all areas as required for orderly performance of the work.
- 4.3 Perform all other obligations required of Company by the terms of this 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 shall ensure that their personnel observe applicable Company and statutory safety requirement. Upon Company's written request, Contractor, entirely at its own expense, shall remove any personnel of the Contractor determined by the Company to be unsuitable, not later than 7 (seven) days without effecting the operation 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 & fro from Kakinada/ field site, en-route/ local boarding, lodging & medical attention etc. Company shall have no responsibility or liability in this regard.
- 5.4 Contractor's key personnel shall be fluent in the English language (both written and spoken).

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 their 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.
- 6.2 Should Company discover at any time during the tenure of the Contract or till the Unit/equipment/ tools are demobilised from site or base camp (if applicable) that the work does not conform to the foregoing warranty, Contractor shall after receipt of notice from Company, promptly perform any and 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 performed by others and charge the cost thereof to Contractor subject to a maximum of the contract value payable for the defective work which needs corrective action which the Contractor must pay promptly. In case Contractor fails to perform remedial work, or pay promptly in respect thereof, 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 with prior permission from Company. However, nothing hereinabove contained shall deprive the Contractor of the right to use or disclose any information:

(a) which is possessed by the Contractor, as evidenced by the Contractor's written records, before receipt thereof from the Company which however the Contractor shall immediately inform to Company ; or

(b) which is required to be disclosed by the Contractor pursuant to an order of a court of competent jurisdiction or other governmental agency having the power to order such disclosure, provided the Contractor uses its best efforts to provide timely notice to Company of such order to permit Company an opportunity to contest such order subject to prior permission from Company.

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. However, the above obligation shall not extend to information which:

- (i) is, at the time of disclosure, known to the public which Contractor shall immediately inform Company;
- (ii) is lawfully becomes at a later date known to the public through no fault of Contractor subject to Contractor's undertaking that no information has been divulged by them to the public;
- (iii) is lawfully possessed by Contractor before receipt thereof from Company which should be immediately informed to Company;
- (iv) is developed by Contractor independently of the information disclosed by Company which should be shared with the Company;

- (v) Contractor is required to produce before competent authorities or by court order subject to prior permission from Company;

8.0 TAXES:

- 8.1 Tax levied on Contractor as per the provisions of Indian Income Tax Act and any other enactment/rules on income derived/payments received under the contract will be on Contractor's account.
- 8.2 Contractor shall be responsible for payment of personal taxes, if any, for all the personnel deployed in India by Contractor.
- 8.3 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 the contract for submitting the same to the Tax authorities, on specific request from them in accordance with provisions under the law. Other than the information provided by the Contractor, the Contractor shall not be responsible for any inaccurate information provided by the Company to the Tax authorities and the Company shall indemnify the Contractor for all claims, expenses, costs or losses of any nature arising from such inaccuracy. Contractor shall be responsible for preparing and filing the return of income etc. within the prescribed time limit to the appropriate authority.
- 8.4 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.
- 8.5 Deleted
- 8.6 Corporate income tax shall 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 and Company will issue TDS Certificate to the Contractor as per the provisions of Income Tax Act .
- 8.7 Corporate and personal taxes on Contractor shall be the liability of the Contractor and the Company shall not assume any responsibility on this account.
- 8.8 All local taxes, levies and duties, sales tax, octroi, etc. on purchases and sales made by Contractor (except customs duty) shall be borne by the Contractor.
- 8.9 **Service tax:** The price excludes Services Tax and the service tax as applicable shall be to the Company account. The Service tax amount on the taxable part of the services provided by the Contractor shall be paid by the Company as per provisions of the Service Tax Act.

9.0 INSURANCE:

- 9.1 The Contractor shall arrange insurance to cover all risks in respect of their personnel, materials and equipment(except when tools / equipment are below

Rotary Table or in the well bore) belonging to the Contractor or its sub-Contractor (if applicable) during the currency of the contract including the third party items/ consumables. For materials/equipment belong to the Contractor or its sub-contractor, Contractor may self-insure the same.

9.2 Contractor shall at all time during the currency of the contract provide, pay for and maintain the following insurances amongst others except when tools/ equipment are below Rotary Table or in the well bore :

- 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 or Comprehensive General 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 fulfill 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) except when tools / equipment are below Rotary Table or in the well bore or Contractor may self-insure its tools/ equipment.
- 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 shall be governed by Indian Insurance Regulations.
- f) Public Liability Insurance as required under Public Liability Insurance Act 1991, "if applicable".

9.3 Deleted

9.4 Any deductible set forth in any of the above insurance shall be borne by Contractor.

9.5 Contractor shall furnish to Company prior to commencement date, certificates of all its insurance policies covering the risks mentioned above.

9.6 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 by Contractor for any reason whatsoever, loss/damage claims resulting there from shall be to the sole account of Contractor.

9.7 Contractor shall require all of their 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.

- 9.8 All insurance taken out by Contractor or their sub-contractor shall be endorsed to provide that the underwriters waive their rights of recourse on the Company and to the extent of the liabilities assumed by Contractor under this Contract.

10.0 CHANGES:

- 10.1 During the performance of the work, Company may make minor change to take care of any supplementary 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 by the Company.
- 10.2 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-IV). 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 shall resolve the dispute in accordance with Clause 13 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.

11.0 FORCE MAJEURE:

- 11.1 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 for the period during which such cause lasts. The word 'Force Majeure' as employed herein shall mean acts of God, war, revolt, agitation, strikes, riot, fire, flood, Cyclone, sabotage, civil commotion, road barricade (but not due to interference of employment problem of the Contractor), acts of government of the two parties, which makes performance impossible or impracticable 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.
- 11.2 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.
- 11.3 Should 'force majeure' condition as stated above occurs and should the same be notified within seventy two (72) hours after its occurrence the 'force majeure' rate shall apply for the first Fifteen days. Parties will have the right to terminate the Contract if such 'force majeure' conditions continue beyond Fifteen (15) days with prior written notice. Should either party decide not to terminate the Contract even under such condition, no payment would apply

after expiry of Fifteen (15) days force majeure period unless otherwise agreed to.

12.0 TERMINATION:

- 12.1 **TERMINATION ON EXPIRY OF THE TERMS (DURATION):** The contract shall be deemed to have been automatically terminated on the expiry of duration of the Contract or the extension period, if exercised by Company under the provision of the Contract.
- 12.2 **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 Clause 11.0 above.
- 12.3 **TERMINATION ON ACCOUNT OF INSOLVENCY:** In the event that the Contractor or its collaborator 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.
- 12.4 **TERMINATION FOR UNSATISFACTORY PERFORMANCE:** If the Company considers that, the performance of the Contractor is unsatisfactory, or not up to 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 proceed diligently to remedy to Company's satisfaction the matter(s) complained of, within a period of 7 (seven) days after such written notice is received by Contractor.
- 12.5 **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.
- 12.6 If at any time during the term of the Contract, breakdown of Contractor's equipment results in Contractor being unable to perform their obligations hereunder for a period of 15 (fifteen) successive days, Company at its option may terminate this 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.
- 12.7 Notwithstanding any provisions herein to the contrary, the Contract may be terminated at any time by the Company on giving 30 (thirty) days written notice to the Contractor due to any other reason not covered under the above clause from 12.1 to 12.6 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 as per the Contract up to the date of termination including the De-mob cost, if any.

12.8 **CONSEQUENCES OF TERMINATION:** In all cases of termination herein set forth, the obligation of the Company to pay for Services as per the Contract shall be limited to the period up to 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.

12.9 In the event of termination of Contract pursuant to the Clause 12.3, 12.4, 12.5 & 12.6, no Demobilization Charges shall be payable to Contractor.

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

12.11 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 demobilize their equipment, personnel & materials.

12.12 **Deleted.**

13.0 SETTLEMENT OF DISPUTES AND ARBITRATION:

13.1 Arbitration (Applicable for suppliers/ contractors other than PSU):

Except as otherwise provided elsewhere in the contract, if any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually, the same shall be referred to Arbitration as provided hereunder:

1. A party wishing to commence arbitration proceeding shall invoke Arbitration Clause by giving 30 days' notice to the other party. The notice invoking arbitration shall specify all the points of dispute with details of the amount claimed to be referred to arbitration at the time of invocation of arbitration and not thereafter. If the claim is in foreign currency, the claimant shall indicate its value in Indian Rupee for the purpose of constitution of the arbitral tribunal.

2. The number of arbitrators and the appointing authority will be as under :

Claim amount (excluding claim for interest and counter claim, if any)	Number of Arbitrator	Appointing Authority
Upto Rs. 5 Crore	Sole Arbitrator	OIL
Above Rs. 5 Crore	3 Arbitrators	One Arbitrator by each party and the 3rd Arbitrator, who shall be the presiding Arbitrator, by the two Arbitrators

3. The parties agree that they shall appoint only those persons as arbitrators who accept the conditions of the arbitration clause. No person shall be appointed as Arbitrator or Presiding Arbitrator who does not accept the conditions of the arbitration clause.
4. Parties agree that there will be no objection if the Arbitrator appointed holds equity shares of OIL and/or is a retired officer of OIL/any PSU. However, neither party shall appoint its serving employees as arbitrator.
5. If any of the Arbitrators so appointed dies, resigns, becomes incapacitated or withdraws for any reason from the proceedings, it shall be lawful for the concerned party/arbitrators to appoint another person in his place in the same manner as aforesaid. Such person shall proceed with the reference from the stage where his predecessor had left if both parties consent for the same; otherwise, he shall proceed de novo.
6. Parties agree that neither shall be entitled for any pre-reference or pendent-lite interest on its claims. Parties agree that any claim for such interest made by any party shall be void.
7. The arbitral tribunal shall make and publish the award within time stipulated as under:

Amount of Claims and counter claims(excluding interest)	Period for making and publishing of the award (counted from the date of first meeting of the Arbitrators)
Upto Rs. 5 Crore	Within 8 months
Above Rs. 5 Crore	Within 12 months

The above time limit can be extended by Arbitrator, for reasons to be recorded in writing, with the consent of the other parties.

8. If after commencement of the arbitration proceedings, the parties agree to settle the dispute mutually or refer the dispute to conciliation, the arbitrators shall put the proceedings in abeyance until such period as requested by the parties.
9. Each party shall be responsible to make arrangements for the travel and stay etc. of the arbitrator appointed by it. Claimant shall also be responsible for making arrangements for travel/stay arrangements of the Presiding Arbitrator and the expenses incurred shall be shared equally by the parties.

In case of sole arbitrator, OIL shall make all necessary arrangements for his travel, stay and the expenses incurred shall be shared equally by the parties.
10. The Arbitration shall be held at the place from where the contract has been awarded. However, parties to the contract can agree for a different place for the convenience of all concerned.

11. The Arbitrator(s) shall give reasoned and speaking award and it shall be final and binding on the parties.
12. Subject to aforesaid, provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment thereof shall apply to the arbitration proceedings under this clause.

13.2 Arbitration (applicable in case of Contract awarded on Public Sector Enterprise):

In the event of any dispute or difference relating to, arising from or connected with the CONTRACT, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises, to be nominated by the Secretary to the Government of India, In-Charge of the Bureau of Public Enterprises. The Arbitration and Conciliation Act 1996 shall not be applicable to the Arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided however; any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Deptt. of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, whose decision shall bind the parties finally and conclusively. The parties in the dispute will share equally the cost of the arbitration as intimated by the Arbitrator.

The venue of all arbitrations under both 13.1 & 13.2 will be Kakinada, Andhra Pradesh. The award made in pursuance thereof shall be binding on the parties.

14.0 NOTICES:

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

Company

EXECUTIVE DIRECTOR (KGB&BEP)
Door No: 11-4-7(3rd Floor,
Nookalamma Temple Street,
Ramaraopeta, Kakinada-533004
Andhra Pradesh, India
Fax No. 0884-2352383

Contractor

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

15.0 SUBCONTRACTING/ASSIGNMENT: Contractor shall not subcontract, transfer or assign the contract, or any part under this Contract, to any third party(ies) except with Company's prior written consent. Except for the main operations with manpower services under this Contract, Contractor may subcontract the petty support services subject to Company's prior approval. However, Contractor shall be fully responsible for complete execution and performance of the services under the Contract.

16.0 MISCELLANEOUS PROVISIONS:

- 16.1 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.
- 16.2 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.
- 16.3 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.
- 16.4 Key personnel cannot be changed during the tenure of the Contract except due to sickness/death/resignation of the personnel in which case the replaced person shall have equal experience and qualification, which will be again subject to approval, by the Company.

17.0 LIQUIDATED DAMAGES FOR DEFAULT IN TIMELY MOBILISATION:

- 17.1 Time is the essence of this Contract. In the event of the Contractor's default in timely mobilization for commencement of operations within the stipulated period, the Contractor shall be liable to pay liquidated damages @ 1/2% of 1st year estimated Contract value (including mobilization cost), per week or part thereof for delay subject to maximum of 7.5% of contract value (including mobilization cost). Liquidated Damages will be reckoned from the date after expiry of the scheduled mobilization period till the date of commencement of Contract as defined in Clause No. 2.3 of Section - I.
- 17.2 If the Contractor fails to mobilise within 15 weeks after the stipulated date or, any extended date as agreed by the Company, then the Company reserves the right to cancel the Contract without any compensation whatsoever.
- 17.3 The parties agree that the sum specified above is not a penalty but a genuine pre-estimate of the loss/damage which will be suffered by OIL on account of delay/breach on the part of the Contractor and the said amount will be payable without proof of actual loss or damage caused by such delay/breach and without any demur and shall not be open for any dispute whatsoever.

18.0 PERFORMANCE SECURITY: The Contractor shall furnish to Company a Bank Guarantee/LC for 7.5% of estimated Contract value valid till 6 (six) months beyond the Contract Expiry date towards Performance Security. The performance security shall be forfeited by Company, if Contractor fails to fulfill its obligations under the Contract or in respect of any amount due from the Contractor to the Company. In the event of any extension of the Contract period, Performance Security shall be extended by the period equivalent to the extended period of the Contract. The Performance Security will be discharged by Company not later than 30 (thirty) days following its expiry.

19.0 ASSOCIATION OF COMPANY'S PERSONNEL: Company's engineers/ Company's hired engineers/ consultants will be associated with the work throughout the operations and shall at all times have complete access to the Site for the purpose of observing inspection or supervising the work performed by Contractor.

20.0 LABOUR: The recruitment of the labour shall 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 shall conform to the provisions of labour laws as per contract Labour (Regulation and Abolition) Act, 1970. However, the Contractor shall not make the Company liable to reimburse the Contractor to the statutory increase in the wage rates of the contract labour appointed by the Contractor. Such statutory or any other increase in the wage rates of the contract labour shall be borne by the Contractor.

21.0 LIABILITY:

21.1 Except as otherwise expressly provided, neither Company nor its co-leases, its servants, agents, nominees, contractors, or sub-contractors or its Affiliates or Co-venturers 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 their contractors or sub-contractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Company and/or its servants, agent, nominees, assignees, contractors and sub-Contractors. The Contractor shall protect, defend, indemnify and hold harmless Company from and against such loss or damage and any suit, claim or expense resulting there from.

21.2 Neither Company nor its co-leases, its servants, agents, nominees, assignees, contractors, sub-contractors or its Affiliates or Co-venturers 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 sub-contractor 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.

21.3 The Contractor hereby agrees to waive its right to recourse and further agrees to cause their underwriters to waive their right of subrogation against Company and/or its co-leases, its underwrites, servants, agents, nominees, assignees, contractors and sub-contractors or its Affiliates or Co-venturers for loss or damage to the equipment of the Contractor and/or its sub-

contractors when such loss or damage or liabilities arises out of or in connection with the performance of the contract limited to the Contractor's liabilities agreed to under this Contract..

- 21.4 The Contractor hereby further agrees to waive its right of recourse and agrees to cause its underwriters to waive their right of subrogation against Company and/or its co-leases, its underwriters, servants, agents, nominees, assignees, contractors and sub-contractors or its Affiliates or Co-venturers for injury to, illness or death of any employee of the Contractor and of its contractors, sub-contractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the contract limited to the Contractor's liabilities agreed to under this Contract..
- 21.5 Except as otherwise expressly provided, neither Contractor nor its servants, agents, nominees, contractors or sub-contractors 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 their contractors or sub-contractors, 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 sub-contractors. The Company shall protect, defend, indemnify and hold harmless Contractor from and against such loss or damage and any suit, claim or expense resulting therefrom.
- 21.6 Neither Contractor nor its servants, agents, nominees, assignees, contractors, sub-contractors shall have any liability or responsibility whatsoever to whomsoever or injury or illness, or death of any employee of the Company and/or of its contractors or sub-contractors 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 sub-contractors. Company shall protect, defend indemnify and hold harmless Contractor from and against such liabilities and any suit, claim or expense resulting there from.
- 21.7 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 sub-contractors for loss or damage to the equipment of Company and/or its contractors or sub-contractors when such loss or damage or liabilities arises out of or in connection with the performance of the contract.
- 21.8 The Company hereby further agrees to waive its right of recourse and agrees to cause it underwriters to waive their right of subrogation against Contractor and/or its underwriters, servants, agents, nominees, assignees, contractors and sub-contractors for injury to, illness or death of any employee of the Company and of its contractors, sub-contractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the Contract.

22.0 Deleted

23.0 (A) INDEMNITY AGREEMENT:

- 23.1 Except as provided hereof Contractor agrees to protect, defend, indemnify and hold Company harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, cost, liens and judgments of every kind and character, without limit, which may arise in favour of Contractor's employees, agents, contractors and sub-contractors or their employees on account of bodily injury or death, or damage to personnel/properly as a result of the operations contemplated hereby, regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part or other faults.
- 23.2 Except as provided hereof Company agrees to protect, defend, indemnify and hold Contractor harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, cost, liens and judgments of every kind and character, without limit, which may arise in favour of Company's employees, agents, contractors and sub-contractors or their employees on account of bodily injury or death, or damage to personnel/properly as a result of the operations contemplated hereby, regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part or other faults.

23.0 (B) INDEMNITY APPLICATION: The indemnities given herein above, whether given by Company or Contractor shall be without regard to fault or to the negligence of either party even though said loss, damage, liability, claim, demand, expense, cost or cause of action may be caused, occasioned by or contributed to by the negligence, either sole or concurrent of either party.

24.0 PAYMENTS, MANNER OF PAYMENT, RATES OF PAYMENT, SET-OFF:

- 24.1 Company shall pay to the Contractor during the term of the Contract the amount due from time to time 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 the Contract. Payment to the third party supplier(s) of the items/ consumables shall be made after receipt of goods at well site duly certified by authorized personnel of the Company. All payments will be made in accordance with the terms hereinafter described.
- 24.2 **Manner of Payment:** All payments due by company to Contractor hereunder shall be made at Contractor's designated bank. Bank charges, if any will be on account of the Contractor.
- 24.3 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.
- 24.4 **Invoices:** Mobilization charges will be invoiced only upon completion of mobilization (after commencing operation at the first well), submission/production of appropriate inventory documents and physical verification by Company representatives. Payment of mobilization charges shall be made within 30 days following the date of receipt of undisputed invoices by Company.

- 24.5 Contractor shall send invoice to company on the day following the end of each month for all daily or monthly charges due to the contractor.
- 24.6 Billings for daily charges will reflect details of time spent (calculated to the nearest quarter hours) and the rates charged for that time. This should be in the form of monthly time analysis chart(s). Monthly invoices will be raised only after spud-in of the first well.
- 24.7 Invoice for reimbursable charges related to the contract will be accompanied by documents supporting the cost incurred.
- 24.8 Contractor will submit 3(three) sets of all invoices duly super scribed 'Original' and 'copy' as applicable to the company for processing payment. Separate invoices for the charges payable under the contract shall be submitted by the Contractor for foreign currency and Indian currency.
- 24.9 Payment of monthly invoices, if undisputed, shall be made within 30 days following the date of receipt of invoice by Company.
- 24.10 Company shall within 30 days of receipt of the invoice notify the 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 or before the due date. This will not prejudice the company's right to question the validity of the payment at a later date as envisaged in Clause 24.3 above.
- 24.11 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 any other billing, the payment of which may then or thereafter be due.
- 24.12 Payment of demobilization charges shall be made when applicable within 45 days following receipt of invoice by Company accompanied by the following documents from the Contractor:
- a) Audited account up to completion of the Contract.
 - b) Tax audit report for the above period as required under the Indian Tax Laws.
 - c) Documentary evidence regarding the submission of returns and payment to taxes for the expatriate personnel engaged by the Contractor or by its sub-contractor.
 - d) Proof of re-export of all items including the unutilized spares and consumables (excepting consumables consumed during the contract period) and also cancellation of re-export bond if any.
 - e) Any other documents as required by applicable Indian Laws.

In case, no demobilization charges are payable, the documents mentioned above will have to be submitted by the Contractor before release of the final payment by the Company. A certificate from Chartered Accountant on (a), (b) & (c) above will suffice.

- 24.13 Contractor shall maintain complete and correct records of all information on which contractor's invoice are based upto 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.
- 24.14 **SET-OFF:** Any sum of money due and payable to the Contractor (including Performance Security refundable to them) under this or any other Contract may be appropriated by OIL and set-off against any claim of OIL (or such other person or persons contracting through OIL) for payment of a sum of money arising out of this contract or under any other contract made by the Contractor with OIL (or such other person or persons contracting through OIL).

25.0 WITH-HOLDING:

- 25.1 Company may withhold 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 - II.
 - 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, and taxes or enforced savings withheld 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, withhold from the amounts due to Contractor, a sum equal to the amount of such unpaid indebtedness.

Withholding will also be effected on account of the following: -

- i) 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 unauthorized imports.

When all the above grounds for withholding payments shall be removed, payment shall thereafter be made for amounts so withhold.

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 related to some negligent act or omission on the part of Contractor.

26.0 APPLICABLE LAW:

- 26.1 The Contract shall be deemed to be a Contract made under, governed by and construed in accordance with the **Laws of India** for the time being in force and shall be subject to the exclusive jurisdiction of Courts situated in Kakinada/ New Delhi.
- 26.2 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 1952 - as applicable to safety and employment conditions.
 - b) The Minimum Wages Act, 1948.
 - c) The Oil Mines Regulations, 1984 or latest version.
 - 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) Service Tax Act.
 - l) Customs & Excise Act & Rules
 - m) Andhra Pradesh Entry Tax Act, 2001
 - n) OISD guidelines & procedures
 - o) DGMS Guidelines/Notifications.
 - p) Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010

- q) The Environmental Protection Act, 1986
- r) The water (Prevention and control of pollution) act, 1974,
- s) The Air (prevention and control of pollution) Act, 1981
- t) All notifications released by MoEF time to time
- u) Hazardous waste management and handling Rules

27.0 ENTIRE CONTRACT: This Contract contains the entire agreement between the Parties and supersedes any previous understandings, commitments, agreements or representations whatsoever, oral or written, pertaining to the subject matter hereof, provided that nothing in this Clause 27.0 (Entire Contract) shall have effect to exclude or restrict the liability of either Party for fraud or fraudulent misrepresentation.

28.0 RECORDS, REPORTS AND INSPECTION: The Contractor shall, at all times, permit the Company and its authorized employees and representatives to inspect all the Work performed and to witness and check all the measurements and tests made in connection with the said Work. The Contractor shall keep an authentic, accurate history and logs including safety records of each well with major items consumed and received on rig, which shall be open at all reasonable times for inspection by the Company designated representatives and its authorized employees and representatives. The Contractor shall provide the Company designated representatives with a daily written report, on form prescribed by the Company showing details of operations during the preceding 24 hours and any other information related to the said well requested by the Company whenever so requested. The Contractor shall not, without Company's written consent allow any third person(s) access to the said well, or give out to any third person information in connection therewith.

29.0 INSPECTION OF MATERIALS

29.1 INSPECTION BY CONTRACTOR: The Contractor agrees to perform a visual inspection, using its personnel, of all materials and appliances furnished by the Company when delivered into Contractor's possession and shall notify Company's representative of any apparent defects observed therein so that Company may replace such defective materials or appliances. If Contractor fails to notify the Company of any apparent defects as provided above, it shall be conclusively presumed that such materials and appliances are free from such apparent defect. Contractor shall not be liable for any loss or damage resulting from the use of materials or appliances furnished by the Company containing latent defects. Upon the termination of this Agreement, Contractor shall return to the Company at the Well- site all machinery, equipment, tools, spare parts and supplies received by Contractor from the Company or purchased by the Contractor for the Company's account and not used or consumed in the operations, in as good condition as when received by Contractor, normal wear & tear excepted. If damage to any the Company's equipment is caused due to sole negligence of the Contractor, same will be repaired or replaced at Contractor's cost. Contractor shall, if requested by the Company also maintain or repair, at its cost, any of the Company's items, at the DRILLING Rig Unit which Contractor is qualified to and can maintain or repair with Contractor's normal complement of personnel and the equipment at the DRILLING Rig Unit provided however that the Company shall at its cost provide all spare parts and materials required to maintain or repair the

Company's items. However, it shall remain the Company's basic responsibility and liability to ensure that such items are always in good workable condition.

29.2 INSPECTION BY OPERATOR: The Company shall have the right to inspect and reject for any valid cause any items furnished by Contractor and Contractor, shall replace or repair at its sole expense such items so rejected with items free of defects, to the satisfaction of the Company.

30.0 LIMITATION OF LIABILITY

Notwithstanding any other provisions herein to the contrary, except only in cases of willful misconduct and / or criminal acts,

(a) Neither the Contractor nor the Company (OIL) shall be liable to the other, whether in Contract, tort, or otherwise, for any consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs.

(b) Notwithstanding any other provisions incorporated elsewhere in the contract, the aggregate liability of the Contractor in respect of this contract, whether under Contract, in tort or otherwise, shall not exceed 50% of the Annualized Contract Price, provided however that this limitation shall not apply to the cost of repairing or replacing defective equipment by the Contractor, or to any obligation of the Contractor to indemnify the Company with respect to Intellectual Property Rights.

(c) Company shall indemnify and keep indemnified Contractor harmless from and against any and all claims, costs, losses and liabilities in excess of the aggregate liability amount in terms of clause (b) above.

31.0 SUBSEQUENTLY ENACTED LAWS: Subsequent to the date of issue of letter of award if there is a change in or enactment of any law or change in application or enforcement or interpretation of existing law by any governmental authority or public body, which results in addition/reduction in cost to Contractor on account of the operation contemplated under the Contract, the Company/ Contractor shall reimburse the Contractor/pay Company for such additional / reduced costs actually incurred/ saved by Contractor, subject to the submission of documentary evidence by Contractor/ Company."

32.0 ROYALTY AND PATENTS: Each party shall hold harmless and indemnify the other from and against all claim and proceedings for or on account of any patent rights, design, trade mark or other protected rights arising from any use of materials, equipment, processes, inventions and methods which have not been imposed on the attending party by the terms of the contract or the specifications or drawings forming part thereof.

33.0 WAIVER: Any delay in exercising and any omission to exercise any right, power or remedy exercisable by the Company under this contract shall not impair such right, power or remedy nor shall any waiver by the Company of any breach by the Contractor of any provision of this contract prevent the subsequent enforcement of that provision by the Company or be deemed a waiver by the Company of any subsequent breach by the Contractor.

34.0 CUSTOMS DUTY

- 34.1 Company shall use the Equipment with the Services under the Contract in the PEL/ML areas renewed / issued to Company after 1.4.1999 and therefore, in terms of Notification No. 21 dated 01.03.2002, goods specified in List-12 imported in connection with petroleum operations under this Contract would attract zero customs duty. Company will issue Recommendatory Letter to Directorate General of Hydrocarbons (DGH), Ministry of Petroleum & Natural Gas, as per Government guidelines for issuance of Essentiality Certificate (EC) from Directorate General of Hydrocarbons, to enable the Contractor to import goods at concessional (Nil) customs duty so as to provide the services under this Contract provided these goods are specified in the List-12 of the aforesaid Notification.
- 34.2 Contractor should provide the list of items to be imported by them under the Contract in the format specified in Proforma-A along with their bid for issuance of Recommendatory Letter to DGH. Contractor shall make written request to Company immediately after shipment of the goods indicated by them in Proforma-A, along with the Invoices and all shipping documents (with clear 15 working days' notice) requesting Company for issuance of the Recommendatory Letter. OIL shall issue the Recommendatory Letter provided all the documents submitted by the Contractor are found in order as per contract. It shall be however, Contractor's responsibility to obtain EC from DGH and clear the goods through customs. OIL shall not be liable in whatsoever manner for the rejection of their claims for zero customs duty by any of the authorities including DGH arising solely as a result of any default on the part of the Contractor.
- 34.3 All imports and import clearances under the contract shall be done by the contractor and OIL shall not provide any assistance in this regard.
- 34.4 However, in the event customs duty becomes leviable during the course of contract arising out of a change in the policy of the Government, Company shall be liable for payment of the customs duties leviable in India on Contractor's items as provided in Proforma-A or the actuals whichever is less (for the first time import) and at actuals (for subsequent imports), provided Contractor furnishes all necessary documents indicating the estimated customs duty at least 10 days in advance. Such payment of Customs Duty shall be arranged by Company and made available to the representatives of Contractor within 3 working days after Contractor submits the undisputed and clear necessary documents/duty assessment papers at Company's office at Kakinada. Contractor would be responsible for passing such payment to customs authorities at the port of entry. Company's obligation for Customs Duty payment shall be limited/restricted to the tariff rates as assessed by the Customs on the day of clearance, or as on the last day of the stipulated mobilisation period. In case of clearance thereafter, on the CIF value of items in Proforma-A will be frozen and any increase in Customs Duty on account of increase in value on these will be to the Contractor's account. Furthermore, in case the above CIF value is not acceptable to assessing Customs Officer and as a result if any excess Customs Duty becomes payable, it shall be to Contractor's account. Before filing Bill of lading, Bill of entry, the Contractor must consult the Company to avoid payment of excess Customs Duty.
- 34.4.1 Contractor shall, however, arrange clearance of such items from Customs and port authorities in India and shall pay all requisite demurrages, if any,

clearance fees/charges, port fees, clearing and forwarding agent fees/charges, inland transport charges etc. Company shall provide all assistance by issuance of necessary letter of authority or other relevant documents and necessary help.

- 34.5 Contractor must ensure that the spares and consumables imported by them for providing the services under Contract are properly used in executing their job under the Contract in the PEL/ML areas of Company for which EC has been obtained. Contractor shall furnish to Company a certificate as and when the spares and consumables are used/consumed certifying that the spares and the consumables imported by them have been consumed in those ML and PEL areas under the contract for which ECs were obtained by them. In order to avoid any misuse of the spares and consumables imported by the Contractor for providing the services under the Contract, Contractor shall furnish an Undertaking similar to that being furnished by Company to Customs of suitable amount before issue of the Recommendatory Letter.
- 34.6 **DEMOBILISATION & RE-EXPORT:** The Contractor shall arrange for and execute demobilization of the entire package i.e. Tools/Equipment/Spare/Accessories/Manpower etc. upon receipt of notice for demobilization from Company. Demobilisation shall mean completion / termination of the contract and shall include dismantling of the package, its accessories/equipment, including the manpower and re-export of the complete package (if re-exportable), its accessories/equipment, unutilized spares and consumables at the cost of the contractor. Demobilization shall be completed by Contractor within 60 days of issue of demobilization notice by Company. Immediately after re-exporting the package, its accessories, equipment and the unused spares and consumables, Contractor shall submit the detail re-export documents to Company as documentary proof of re-exporting the complete package, its accessories, equipment and the unused spares and consumables. In case of failure to re-export any of the items as above within the allotted time period of 60 days except under circumstances relating to Force Majeure, Company reserves the right to withhold the estimated amount equivalent to the Customs Duty and/or penalty leviable by Customs on such default in re-export from Contractor's final settlement of bills and Performance Security.
- 34.6.1 In the event all/part of the equipment etc. are transferred by Contractor within the country to an area where nil Customs Duty is not applicable and/or sold to a third party after obtaining permission from Company and other appropriate government clearances in India including permission from DGH and Customs authorities, then Contractor shall be fully liable for payment of the Customs Duty.
- 34.6.2 Contractor must furnish an undertaking that "the equipment imported and also spares & accessories which remained unutilized after the expiry of the contract, would be re-exported at their own cost after completion of contractual obligation after observing all the formalities/rules as per Customs Act or any other relevant Act of Govt. of India applicable on the subject". In case of non-observance of formalities of any provisions of the Customs Act or any other Act of Govt. of India, the Contractor shall be held responsible for all the liabilities including the payment of Customs Duty and penalties to the Govt. on each issue. Non-compliance of these provisions will be treated as breach of contract and their Performance Bank Guarantee will be forfeited.

34.6.3 In the event all/part of the equipment etc. are transferred by Contractor after expiry/termination of the contract within the country to another operator for providing services, and/or sold to a third party, Contractor shall obtain all necessary Govt. of India clearances including permission from DGH and Customs authorities for transferring to another operator and/or sale of the Rig package, its accessories, equipment and the unused spares and consumables to a third party. Company will not be responsible for any non-compliance of these formalities by Contractor. Payment of Customs Duty and penalties (if any) imposed by Govt. of India or Customs authorities for transferring the items in part or in full to an area where Nil Customs Duty is not applicable or sale of the items shall be borne by the Contractor and Contractor indemnifies Company from all such liabilities.

35.0 'HSE' GUIDELINES:

- 35.1 The contractor shall strictly comply with the applicable and prevailing provisions of the Mines Act 1952, OISD Guidelines, and 10th Conference Recommendations of Safety in Mines. A copy of provisions of 10th Conference Recommendations in the form of 'General HSE Points' is available in the office which may be issued to successful bidders at the time of need.
- 35.2 It will be solely the Contractor's responsibility to fulfill all the legal formalities with respect to the Health, Safety and Environmental aspects of the entire job (namely; the person employed by him, the equipment, the environment, etc.) under the jurisdiction of the district of that state where it is operating. . Ensure that all sub-contractors hired by him comply with the same requirement as the contractor himself and shall be liable for ensuring compliance all HSE laws by the sub or sub-sub-contractors.
- 35.3 Every person deployed by the contractor in a mine must wear safety gadgets to be provided by the contractor. The Contractor shall provide proper Personnel Protective Equipment as per the hazard identified and risk assessed for the job and conforming to statutory requirement and Company PPE schedule. Safety appliances like protective footwear, Safety Helmet and Full Body harness has to be DGMS approved. Necessary supportive document shall have to be submitted as proof. If the Contractor fails to provide the safety items as mentioned above to the working personnel, the Contractor may apply to the Company (OIL) for providing the same. OIL will provide the safety items, if available. But in turn, OIL will recover the actual cost of the items by deducting from Contractor's Bill. However, it will be the Contractor's sole responsibility to ensure that the persons engaged by him in the mines use the proper PPE while at work. All the safety gears mentioned above are to be provided to the working personnel before commencement of the work.
- 35.4 The Contractor shall prepare written Safe Operating Procedure (SOP) for the work to be carried out, including an assessment of risk, wherever possible and safe methods to deal with it/them. The SOP should clearly state the risk arising to men, machineries & material from the mining operation / operations to be done by the contractor and how it is to be managed.
- 35.5 The contractor shall provide a copy of the SOP to the person designated by the mine owner who shall be supervising the contractor's work.

- 35.6 Keep an up to date SOP and provide a copy of changes to a person designated by the Mine Owner/Agent/Manager.
- 35.7 Contractor has to ensure that all work is carried out in accordance with the Statute and SOP and for the purpose he may deploy adequate qualified and competent personnel for the purpose of carrying out the job in a safe manner. For work of a specified scope/nature, he should develop and provide to the mine owner a site specific code of practice in line.
- 35.8 All persons deployed by the contractor for working in a mine must undergo Mines Vocational Training, initial medical examination, PME. They should be issued cards stating the name of the contractor and the work and its validity period, indicating status of MVT, IME & PME.
- 35.9 The contractor shall submit to DGMS returns indicating - Name of his firm, Registration number, Name and address of person heading the firm, Nature of work, type of deployment of work persons, Number of work persons deployed, how many work persons hold VT Certificate, how many work persons undergone IME and type of medical coverage given to the work persons
- 35.10 The return shall be submitted quarterly (by 10th of April, July, October & January) for contracts of more than one year. However, for contracts of less than one year, returns shall be submitted monthly.
- 35.11 It will be entirely the responsibility of the Contractor/his Supervisor/representative to ensure strict adherence to all HSE measures and statutory rules during operation in OIL's installations and safety of workers' engaged by him. The crew members will not refuse to follow any instruction given by Company's Installation Manager / Safety Officer / Engineer / Official / Supervisor/Junior Engineer for safe operation.
- 35.12 Any compensation arising out of the job carried out by the Contractor whether related to pollution, Safety or Health will be paid by the contractor only.
- 35.13 Any compensation arising due to accident of the Contractor's personnel while carrying out the job, will be payable by the contractor.
- 35.14 The contractor shall have to report all incidents including near miss to Installation Manager / departmental representative of the concerned department of OIL.
- 35.15 The contractor has to keep a register of the persons employed by him/her. The contractor's supervisor shall take and maintain attendance of his men every day for the work, punctually.
- 35.16 If the Company arranges any safety class / training for the working personnel at site (Company employee, contractor worker, etc.) the contractor will not have any objection to any such training.

- 35.17 The health checkup of contractor's personnel is to be done by the contractor in authorized Health Centers as per OIL's requirement & proof of such test(s) is to be submitted to OIL. The frequency of periodic medical examinations should be every five years for the employees below 45 years of age and every three years for employees of 45 years of age and above.
- 35.18 To arrange daily tool box meeting and regular site safety meetings including pit level meeting and maintain records.
- 35.19 Records of daily attendance, accident report etc. are to be maintained in Form B, E, J (as per Mines Rules 1955) by the contractor.
- 35.20 A contractor employee must, while at work, take reasonable care for the health and safety of people who are at the employee's place of work and who may be affected by the employee's act or omissions at work.
- 35.21 A Contractor employee must, while at work, cooperate with his or her employer or other persons so far as is necessary to enable compliance with any requirement under the act or the regulations that is imposed in the interest of health, safety and welfare of the employee or any other person.
- 35.22 Contractor's arrangements for health and safety arrangement shall be consistent with those for the mine owner.
- 35.23 In case Contractor is found non-compliant of HSE laws as required Company will have the right for directing the contractor to take action to comply with the requirements, and for further non-compliance, the contractor will be penalized prevailing relevant Acts / Rules / Regulations.
- 35.24 When there is a significant risk to health, environment or safety of a person or place arising because of a non-compliance of HSE Measures Company will have the right to direct the contractor to cease work until the non-compliance is corrected.
- 35.25 The contractor should prevent the frequent change of his contractual employees as far as practicable.
- 35.26 The contractor should frame a mutually agreed bridging document between OIL & the contractor with roles and responsibilities clearly defined.
- 35.27 For any HSE matters not specified in the contract document, the contractor will abide the relevant and prevailing Acts / rules / regulations pertaining to Health, Safety and Environment.
- 35.28 Most of the above provisions are from the 10th conference Recommendation of safety in Mines.
- 35.29 Contractor should maintain T-Cards of all the persons at site for prompt counting of heads in case of emergency and other safety related issues.

36.0 MoEF [MINISTRY OF ENVIRONMENT & FOREST] GUIDELINES:

- i) Pre Hire inspection, safety meeting, tool box meetings, job safety analysis & audit shall be carried out to identify hidden/ potential hazards.

- ii) The Contractor shall take necessary measures to reduce noise levels at drill site providing mitigation measures, such as proper acoustic enclosures to the DG sets and meet norms notified by the MoEF.
- iii) The emissions of RSPM, SPM, SOX, NOX and HC & VOC from engines shall conform to the standard prescribed by SPCB. Regular monitoring of the ambient air for HC & VOC shall be carried out as per CPCB guidelines.
- iv) The Contractor shall strictly comply with rules and regulations with regard of handling and disposal of hazardous waste (Management & Handling) rules 1989/2003 wherever applicable. Authorization from SPCB must be obtained for collection/ treatment/ storage/ disposal of hazardous waste.
- v) The overall noise level in and around the plinth areas shall be kept within the standards by providing noise control measures including acoustic hoods, silencers, enclosures on all sources of noise generation. The ambient noise level shall conform to standards prescribed under EPA rules, 1989 that is 75 dBA (daytime) and 70 dBA (nighttime)
- vi) A separate environment management cell shall be set up to carry out environment management and monitoring functions.

END OF SECTION - I

SECTION-II

TERMS OF REFERENCE AND TECHNICAL SPECIFICATIONS

A. PREAMBLE:

1.0 DRILLING PROGRAM:

The program includes drilling and testing of 5/6 wells in **NELP VI Block KG-ONN-2004/1** of Andhra Pradesh and Yanam district of Puducherry. The wells are designated as exploratory & appraisal wells with maximum TVD of 3600m.

1.0 BLOCK AREA

The Block KG-ONN-2004/1 of 549 SqKm area has been awarded by the Ministry of Petroleum & Natural Gas (MOP&NG), Govt. of India, under its New Exploration Licensing Policy (NELP) round VI, to the consortium of Oil India Limited (OIL), A Govt. of India Enterprise (with 90% stake as the Operator) & Geo Global Resources (GGR: Barbados) with 10% stake as the partner for the Block, for carrying out extensive & expeditious exploration for Petroleum & Natural Gas in the region. This 549 SqKm comprises of 511 Sq Km on land area in the district of East Godavari, Andhra Pradesh (AP) and that of 38 Sq.Kms. in the district of Yanam, Puducherry (UT). The operational area of the block has been later reduced to 353.5 sq.km due to non-availability of Govt./Statutory permission in parts of the block.

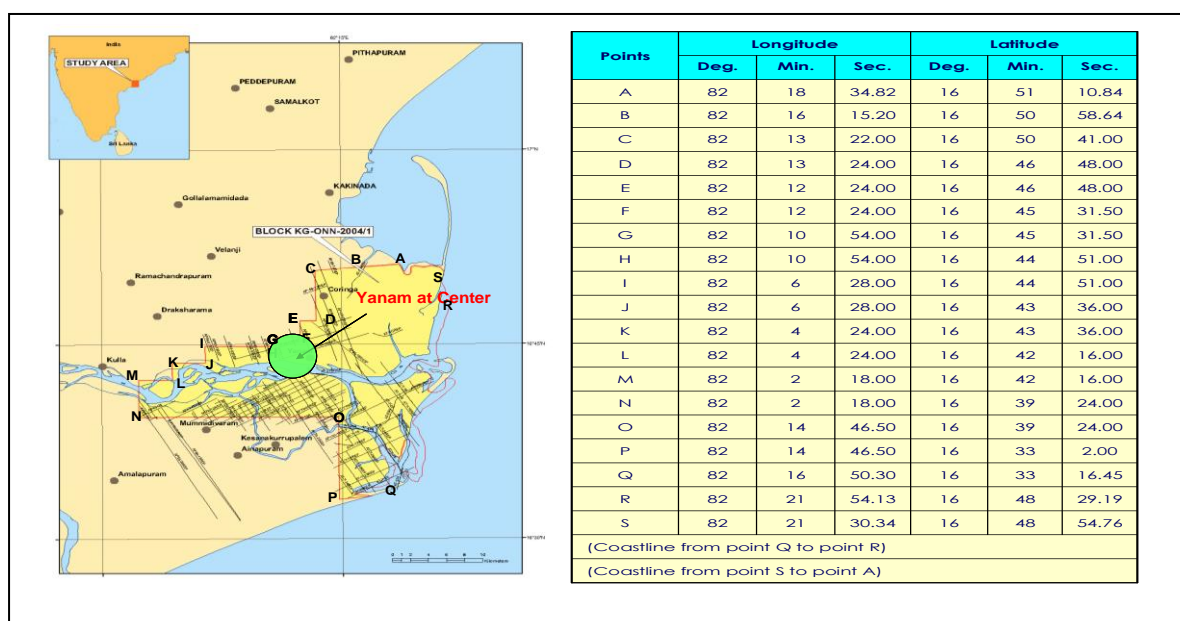


Figure-1a: The location of the Block KG-ONN-2004/1 in KG basin

3.0 COMMUNICATION TO THE BLOCK:

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

1. Nearest Airport :

Vizag : 180 Km
Rajahmundry : 70 Km

2. Nearest Sea Port

Kakinada : 15 Km

3. Nearest Railway Junction

Samalkot : 20 Km
Kakinada : 05 Km

4. National Highway: : NH-5

a. Proposed Casing Program (subject to change):

Casing			Hole Size (inches)	Shoe Depth (meters) Tentative			
Size (Inch)	Grade	Wt. (ppf)		Well-1	Well-2	Well-3 (Deviated)	Well-4,5 & 6 (Deviated)
20	J-55	94	26	200	200	-	200
13 3/8	N-80	68	17 1/2	900	1000	200	1100
9 5/8	N-80	47	12 1/4	1500	1900	1000	2450
5 1/2/7	N-80 / P-110	20/29	8 1/2	2700	2850	2000	3700

5.0 Mud System:

Mud design is proposed to be water based as per below table:

Hole size (Inch) Drill	Estimate mud density section TD (PPG)	Tentative Mud System
26	ALAP	Water based Spud Mud
17 1/2	8.5 – 9.5	Lightly treated WBM
12 1/4	9 – 10	CH ₃ COOK– KOH – PHPA WBM
8 1/2	9.5 – 11	CH ₃ COOK– KOH – Polymer - WBM

6.0 Brief on Geology:

The Krishna-Godavari basin is a pericratonic basin with areal extent of approximately 45,000 km² (both onshore & offshore), located in the central part of the eastern passive continental margin of India. However, the basin extends into

deeper water and covers a much larger area. Krishna and Godavari are the two major river systems, which drain the area and discharge in the Bay of Bengal and covers the deltaic and inter-deltaic areas of Krishna and Godavari rivers and extends into the offshore. This stretch of sedimentary tract contains a vast range of geologic settings, such as costal basin, delta, shelf-slope apron, deep-sea channel, and deep water fan complex.

Exploratory drilling of more than 350 wells in more than 160 structures has resulted in the discovery of 42 oil and gas bearing structures. Good source rocks are known from sequences ranging in age from Permian-Carboniferous to early Miocene. Because the reservoir sand bodies have limited lateral variation, understanding the stratigraphy and depositional sub environments in different sequences is essential to decipher the favourable locales for reservoir sands. Tilted fault blocks, growth faults, and related rollover anticlines provide the structural traps. Commercial accumulation of hydrocarbons occurs in sediments from the Permian to as young as the Pliocene. Estimated resources in the basin are around 2000 million tons of oil and oil-equivalent gas. The reservoirs are in sediments of all ages, Permian to Pliocene.

Generalized Stratigraphy/Lithology:

Block lies in the Gouthami- Godavari Delta and falling between Chintalapudi and Pithapuram cross trends. Tectonically majority of the area is within the NE-SW trending basin margin fault area. Expected stratigraphy for the block is shown in the table below:

Wells: Lithology Prognosis:

a) Well-1:

Formation top (mTVD)	Age	Formation	Lithological Description
Surface	Miocene to Recent	Rajahamundry Sand stone +Narsapur Clay& Younger.	Sand and Clay
630	Oligocene to Miocene	Matyapuri Sand stone	Sand stone with Clay inter beds
920	Mid. Miocene	Bhimanapalli Lime stone	Mainly Lime stone withclaystone
1530	Lower Eocene to Late paleocene	Pasarlupudi&Palakollu	Sand/ S.St at Top and Clay/Clay stone below
2350	Upper Cretaceous	TirupatiS.St / Chintalapalli shale	Sandstone & Shale
T.D: 2700			

b) Well-2:

Formation top m TVD	Age	Formation	Lithological Description
Surface	Miocene to Recent	Rajahmundry sandstone + Narsapur clay stone & Younger rocks	Brick colored ferruginous sandstone, claystone
500	Oligocene - Miocene	Matsyapuri sandstone	Sandstone with clay interbeds
720	Mid. Miocene	Bhimanapalli limestone	Mainly limestone with claystone.
820	Lr. Eocene to Lt. Paleocene	Pasarlupudi formation/ Pallakollu shale	Sand/ S.St at Top and Clay/Clay stone below
1020	Palaeocene	Razole formation	Basalt with intertrappeans
1240	Upper Cretaceous	Tirupati sand Stone	Mainly Sand stone with thin Clay stone
1950	Lower Cretaceous	Raghavapuram Shale	Mainly Shale with thin sand stones
2300	Permo-Triassic	Kommugudem-Draksharama	Mainly Coal-shale with Sand stone
2800	Archeans	Metamorphic rock	Quartzitic Basement rocks.
TD: 2850			

c) Well 3:

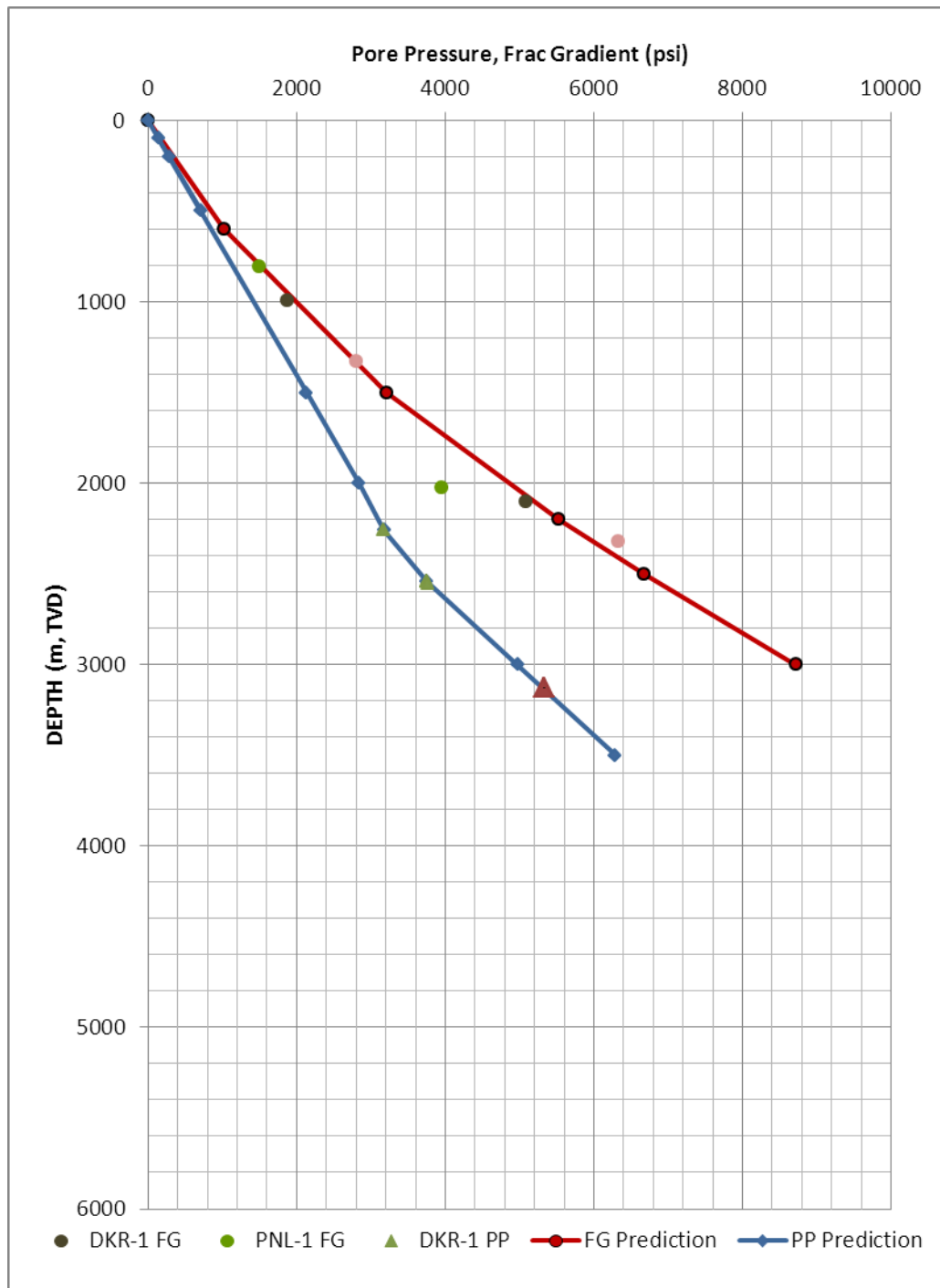
Formation top m TVD	Age	Formation	Lithological Description
Surface	Pliocene to Recent	Godavari Clay	Dominantly Clay/claystone with trace of sand
1450	Miocene	Ravva(?)	Limestone with sandstone and claystone

1730	Oligocene to Mid Eocene	Vadaparru shale	Mainly Claystone with limestone with sandstone.
TD: 2000			

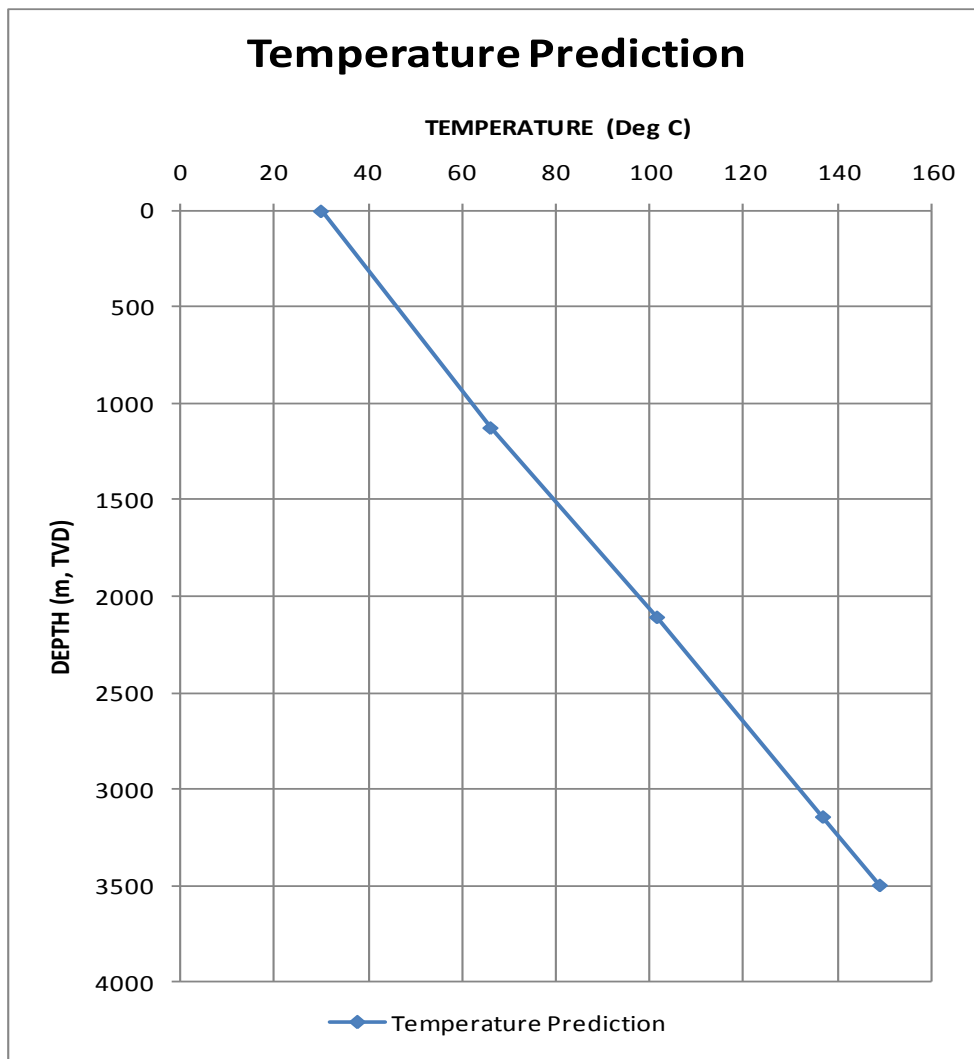
d) Well 4/5/6

Formation top m TVD (mMD)	Age	Formation	Lithological Description
Surface	Miocene to Recent	Rajahmundry sandstone + Narsapur clay stone & Younger rocks	Mainly sand and clay
525	Oligocene-Miocene	Matsyapuri sandstone	Sandstone with shale/clay interbeds
780	Mid. Eocene	Bhimanapalli limestone	Mainly limestone
880	Lr.Eocene to Lt.Paleocene	Pasarlupudi formation	Sandstone with claystone
		Pallakollu shale	Mostly shale
1165	Paleocene	Razole formation	Basaltic flow with intertrappean
1380 (1390m)	Upper Cretaceous	Tirupati Sandstone	Sand Stone at top with shale at bottom
2620 (2770m)	Lower Cretaceous	Raghavapuram	Mainly shale with thin sand stone
2710 (2860m)	Permo-Triassic	Kommugudem Formation	Coal-Shale-Sandstone
3300 (3450m)	Permian (?)	Draksharama Fm(?)	Basal sand-shale
TD: 3550m TVD (3700m MD)			

7.0 Anticipated Pressure Profile



8.0 Anticipated Temperature Profile



9.0 Anticipated Well Hazards:

Loss circulation is common in Bhimanapalli Limestone formation, partial to sometime total loss is reported in nearby wells. 12-13% of CO₂ has been reported during testing of Kommugudem formation in nearby wells. H₂S is not expected in the wells.

10.0 Directional Requirements:

The tentative directional drilling plan is as under:

WELL	TVD (m)	Casing Policy	KOP (m)	Max Inclination	Deviated Hole Sections	Horizontal Displacement required (m)	Profile (J/S)	'Tentative', Additional Requirements
Well-1	3500	As above	1000-1200	38 deg	17 ½", 12 ¼", 8 ½"	800-1000	J/S	-

Well-2	3500	(3.a)	1000-1200	35 deg	12 ¼", 8 ½"	600-800m	S	Vertical profile in reservoir section.
Well-3	2000		200	30 deg	12 ¼", 8 ½"	200-300m	S	Vertical profile in reservoir section

The above plan may change depending on the well design approved during execution

B. SCOPE OF WORK

1.0 EXPERIENCE OF BIDDER:

The bidder should have a minimum 5 (five) years of corporate experience in providing Mud Logging Services to E&P companies including experience of providing similar services to at least 5 (five) wells in last 5 (five) years as on bid closing date of this Tender.

2.0 SCOPE OF SERVICES:

OIL INDIA LIMITED is planning to hire two Mud Logging Units (1 firm + 1 optional) with state of art technology from reputed Mud Logging Service Company to provide Mud Logging services in the **NELP VI Block KG-ONN-2004/1** of Andhra Pradesh and Yanam district of Puducherry. The contract shall be for a period of **12 months for drilling and completion of 5/6 wells with a provision for extension of further 12(Twelve) months** at the same rates, terms and condition at the option of the company. Initially 1 Mud logging Unit will be mobilized and the 2nd Unit is expected to be mobilized after 6 month from the mobilization of the 1st unit depending upon the availability of the Rig. The Contractor shall provide Mud Logging Units in full operating condition suitable to work in remote onshore locations. Contractor will, as a minimum, adhere to the latest international standards and practices. Contractor will provide the following mud logging services as outlined below, but not limited to the following:

- Collect, examine and describe drilled cuttings / cores including fluorescence.
- Monitor all Drilling parameters, Mud parameters, Flow line gases and advise on abnormal behaviour.
- Prepare Geological Mud Log, Drilling Log, Gas Log, Pressure log and Time Log.
- Provide Mud log outputs regularly and as desired by Wellsite Geologist.
- Provide summary detailing estimation of mud losses and gains. Maintain pit sheets, trip sheets, kill sheets, flow back finger print sheets regularly.
- Provide with hydraulics package calculating hole volume, lag time and other

drilling computations.

- Plotting of D-Exponent, calcimetry and shale density measurements, Pore Pressure and Fracture Pressure Evaluation
- Collection of LWD, MWD, wire line data and preparation of Composite Logs as and when required.
- Supply, installation, operation and maintenance of necessary hardware/software interface with Company provided communication equipment to allow transmission of real time data from well site to Company base office and vice versa.
- Calibrate and maintain all peripherals, sensors and gas equipment.
- Assist Company personnel in handling cores and cuttings and other samples.
- Real-time data transmission to client office.

3.0 SPECIFICATIONS FOR MUD LOGGING UNIT

- 3.1. Mud Logging Unit shall be PC based for continuous online data acquisition, display, process, storage & real-time transmission of various drilling, mud, gas and geological and calculated parameters. The unit should be air conditioned, pressurized and certified for placement in Zone 1 hazardous area. The unit is required to be fully insulated and having sufficient work place for technical personnel to work safely inside the unit. The unit should be installed with LEL gas detector, smoke, fire, H2S detectors with an automatic shutdown system in case of loss of unit pressure or presence of any combustible gas. The units should not be more than **3 years** old on the bid closing date and transportable in oilfield truck.
- 3.2. The Mud Logging Unit should be suitable for AC-SCR/VFD Rigs. The unit is required to be equipped with isolation transformer and online UPS system having modern filter circuits (linear power supply for all the sensitive equipment connected with MLU) to eliminate spikes generated by SCR power converter and harmonics during operations. COMPANY will not be responsible for damage to any equipment/computer system of the MLU due to spikes and harmonics arising out of power supplied from rig. **Mud Logging Unit should have 100% redundancy with backup server.**
- 3.3. The Contractor shall provide all equipment, materials, consumables, literature etc. in the Mud Logging Unit and shall ensure good industrial quality. The Contractor at its cost shall provide suitable accessories and mountings for all sensors and detectors and to be compatible with provisions of the rig.
- 3.4. The Contractor should be an ISO certified company following OMR and all oilfield HSE standards. All field mounted sensors to be intrinsically safe and connected via explosion proof junction boxes meeting safety standards of Area "0" hazardous as per API and OMR & OISD. All electrical wiring & fixtures, breakers, relays, plugs, earthing etc confirm to industrial regulations & standards. (Necessary certificates to be provided).

3.5. The Contractor has to provide environmentally suitable Mud Logging Unit complete with all intrinsically safe and explosion proof sensors and detectors having digital display, audio/visual alarm & external alarms. The Mud Logging Unit should be equipped to record the following parameters:-

3.5.1 Rate of Penetration (ROP)

(m/hr and Min/m) and Depth (m)

- | | | |
|-------------------------|---|----------------|
| a) Accuracy | : | 0.1% (+/-0.5m) |
| b) Recording interval | : | 0.5 meter |
| c) Sensor | : | Proximity |
| d) Drilling break alarm | : | User defined |

3.5.2 Total Hydrocarbon Gas Detection

- | | | |
|--------------------|---|----------------------------------|
| a) Sensitivity | : | 1-100 ppm |
| b) Range | : | 0 to 100% |
| c) Detector | : | FID/TCD type |
| d) Sampling mode | : | Automatic / manual |
| e) Methane gas for | : | calibration should be 99.9% pure |

3.5.3 Weight on Hook and Weight on Bit

- | | | |
|-------------|---|--------------------------------|
| a) Accuracy | : | ± 1% |
| b) Sensor | : | Hydraulic /Pressure Transducer |
| c) Range | : | 0 to 1000 Tons |

3.5.4 Mud Pump Strokes (As per rig provisions) and Cementing Unit Pump strokes

- | | | |
|-------------|---|--------------|
| a) Accuracy | : | ± 1 Stroke |
| b) Range | : | 0 to 200 SPM |
| c) Sensor | : | Proximity |

3.5.5 Rotary RPM

- | | | |
|-------------|---|------------------|
| a) Accuracy | : | ± 1% (+/- 1 RPM) |
| b) Sensor | : | Proximity |
| c) Range | : | 0 to 200 RPM |

3.5.6 Mud Pit & Trip tank Volumes (As per provisions on rig) including Sand Traps

- | | | |
|---------------------------|---|---------------------------------|
| a) Sensor | : | Ultrasonic |
| b) Accuracy for Mud Pits | : | ± 1.25bbl in a tank of 2.5mx 2m |
| c) Accuracy for Trip Tank | : | ± .5 bbl in a tank of 2.5m x 2m |
| d) Range | : | 0 to 700 bbl per pit |

3.5.7 Flow Rate In and Out

- | | | |
|--------------------------|---|------|
| a) Flow rate in Accuracy | : | ± 1% |
|--------------------------|---|------|

- b) Range : 0 to 1200 gall./min.
(calculated)
- c) Flow rate out Sensor : Potentiometric, paddle type,
Proximity
- d) Flow rate out Accuracy : (+/-1%)
- e) Range : 0 to 100% flow.

3.5.8 H2S Detection (Four Channels)

- a) Accuracy : ± 1 ppm
- b) Detector : Solid state
semiconductor/electro
chemical sensing element
- c) Range : 0 to 100 ppm
- d) Calibration ampoules : 15 ppm and 60 ppm

3.5.9 CO2 Detection

- a) Sensor : Non Dispersive Infra red
- b) Accuracy : 5% of reading
- c) Range : 0-20 (non diluted), 100%
(Diluted 5X)

3.5.10 On-line Data Acquisition

- a) The state-of-art PC with its peripherals viz. color monitor, mouse, keyboard and color printers for on-line data acquisition shall be capable of on-line real time processing, monitoring, printing, plotting of mud, drilling and gas parameters, storing and retrieval of processed and organized data (database) at **0.1m/0.2m, 0.5m & 1m** interval with Audio/Visual alarm settings and calibration of parameters.
- b) All software for on-line data acquisition shall be licensed version. These should include but not limited to the following: Software for on-line calibration of sensors and detectors, continuous signal acquisition from sensors and detectors, processing, color printing, plotting, displaying on color monitor, storing, organization and retrieval of the processed data to monitor all gas, drilling, mud, geological and calculated parameters.
- c) Software should have input / output provisions in standard formats such as ASCII / LIS / LAS.
- d) Software for online D-Exponent log, hydraulic calculation and Gas composition.
- e) Installation, operation and Maintenance of necessary hardware and software for aggregation of all data acquired by the mud logging unit and third party data in REAL TIME in WITS0 or higher version from well site to specified Operator Locations. Contractor must provide necessary software(s) with multiple user ids (minimum 10 nos.) for remote viewing of mud logging and third party data in real time at operator's office/remote location with scroll back facility.

- f) Software for online data acquisition should be state-of art as per latest international industrial standard practice. The software should support all the parameters mentioned in the bid document. **Software should accommodate different dedicated channels for Total Gas out, Total Gas in and the difference between them (delta) with chromatograph analysis for both gas out as well as gas in should be recorded and displayed.**

3.5.11 Gas Chromatography

- a) Sensitivity : 1-100% (1-5ppm)
- b) Detector : FID/TCD type
- c) Sampling mode : Automatic / manual
- d) Cycle time : 45 sec or below
- e) Accuracy : 10ppm
- f) Range : 0-100%
- g) Percentage analysis of Methane, Ethane, Propane Butane (ISO and Normal) and Pentane in automatic/manual mode.
- h) Methane Gas for calibration shall be 99.9% pure. Mixture gas shall be as C1=10%, C2= 1%. C3= 1%, nC4= 1%, iC4= 1%, iC5=0.5% and rest being Hydrogen and Nitrogen

- i) **Gas analysis systems should be capable of measuring and analyzing (C1-C5) gas out and gas in to the well bore.**

ii) Mud Degasser system

Mud degasser system should be a **Constant Volume Degasser** type so as to maintain constant volume of mud during degassing process irrespective of fluctuation in mud level in flow line. The constant volume of mud ensures that Gas liberated is not dependent on the level of mud on the flow line and that all factors including volume, flow rate are maintained constant. The Constant Volume Degasser should be based on proven design so that it extracts gas from mud and ensures that the cuttings do not choke the outlet.

- iii) Hydrogen carrier gas for FID/TCD equipment- Hydrogen Generator.

For back up a Gas Chromatography with explosion proof electric or pneumatic degasser motor with agitator mounted on degasser trap with facility to prevent mud and moisture from entering the gas suction line should stand by along with a backup bottle of hydrogen carrier gas or a backup hydrogen generator.

3.5.12 Rotary Torque

- a) Accuracy : $\pm 1\%$
- b) Sensor : Electric / Hydraulic
- c) Range (Electric) : 0 to 1000 Amps
- d) Range (Hydraulic) : As suitable

3.5.13 Stand Pipe Pressure, Casing Pressure and Cementing Unit Pressure.

- a) Accuracy : $\pm 1\%$
- b) Sensor : Electric/Hydraulic/Pressure Transducer
- c) Range : 0 to 15000 psi
- d) Linearity : 0.5%

3.5.14 Mud Weight In and Out

- a) Mud specific gravity range : 6 to 24ppg
- b) Sensor : Differential Pressure
- c) Accuracy : $\pm 0.5\%$

3.5.15 Mud Temperature In and Out

- a) Range : 0 to 150°C
- b) Sensor : Platinum Resistance
- c) Accuracy : $\pm 1\%$

3.5.16 Mud Conductivity In and Out

- a) Range : 0 to 300 m Mhos/Cm
- b) Sensor : Toroidal Transformer
- c) Accuracy : $\pm 1\%$

3.5.17 Off-line Data Processing

- a) A state-of-art processor Pentium I3 2nd generation or higher based stand-alone PC, not at all related to On-line Data acquisition, shall have the following peripherals viz. colour monitor, mouse, keyboard, and continuous colour printers. The On-line and Off-line PC should be compatible for interchange. The Off-line PC shall be loaded with on-line software and off-line software.
- b) All Off-line software shall be of licensed version and available in CGS system. These shall include but not limited to the following:

Software for Master log, Well Deviation, Well Construction, Kick Control, Gas Composition, Leak-off Test, Fracture Gradient, Pore Pressure Gradient, Hydraulics, Daily Progress Report, Word Processor, MS Access system for WCR, and Anti-virus Package shall be upgraded yearly.

3.5.18 Calcimetry (Auto calcimeter)

- a) Detection Range : 0 to 100%
- b) Sensitivity : $\pm 1\%$
- c) Balance : As suitable

- 3.5.19 Microscopy jobs shall be carried out by utilizing Binocular zoom microscope with wide field eyepieces of minimum 10X a magnification and objective of 1X and 6X zooming magnification with transmitted and direct light illuminators with focus control. Additional optic fiber illuminators are also preferable with spare bulbs. Microscope should be equipped with dedicated phototube, digital camera & fitting for Digital photomicrography (minimum 3MP digital imaging) with colour bar and grain size reference for all images. Microscope should have facility to transfer image to online computer and logs.
- 3.5.20 Fluoroscopy jobs shall be carried out by utilizing minimum two UV tubes of different wave lengths and one white tube with guarded viewing glass. The tube arrangement shall be detachable. Sample chamber doors on left and right side with opening size of 12 cms. X 12 cms. Each tube shall have separate on-off switch. Bulb section to be detachable for use in scanning of cores.
- 3.5.21 Shale Density measurement by utilizing suitable balance/ column method shall be provided.
- 3.5.22 Flow back finger printing for quick detection of well ballooning, volume variation should be provided.
- 3.5.23 Lithology Description and testing of sample cuttings by utilizing appropriate chemicals and glassware shall be provided. For each chemical corresponding MSDS charts should be provided.
- 3.5.24 Drying Facility for sample cuttings in an oven accommodating ten sample plates of 6" diameter in its chamber shall be provided.
- 3.5.25 Sample and Core Collection by utilizing (i) Sieves Set, size range 0.063 – 5mm, (ii) SS Spot Trays, (iii) SS Probes, (iv) SS Tweezers (big and small), (v) PET Bottles for packing wet sample cuttings and Paper Bags for packing dry sample cuttings, (vi) Glass bottles (scot duran) having capacity of 30 ml, 500 ml and 1000ml. (vii) stainless steel sample trays (viii) Permanent Marking Pens shall be provided. (ix) grain size comparison chart (x) colour chart (xi) pestle mortar. (xii) Paint Marker pens.
- 3.5.26 Drafting equipment, Master Log sheets and Core Report sheets shall be provided.

4.0 SAMPLE COLLECTION AND PACKAGING:

The bidder should give special attention, so that the samples are collected in sufficient quantity and packaged in the proper order as per Company's requirement. Items required for collection of samples and packaging are specified below:

ITEM	PURPOSE
Plastic bags, Cloth	Unwashed and Washed samples
Boxes, Cardboard	Storage, Shipment of dried samples
Envelopes, paper with fold over closure	Packing of individual washed and dried samples

Glass bottles	Mud Sample and other Liquid Samples
Sieves	Standard (ASTM Sieve No. 25, 40, 80, 170, 230 and 270)
Isotubes with gas sampling equipment	For collection of Gas samples during drilling as and when required

5.0 ACCESSORIES:

The Contractor shall make available the following accessories in the Mud Logging Unit:

- 5.1. An explosion proof purged LCD monitor with real time display should be installed at the Rig floor.
- 5.2. Suitable numbers of LCD monitors (3 or more) to display various real time sensor signals and parameters and also to represent graphical display of parameters in the mudlogging unit.
- 5.3. CD/DVD writer with necessary software to back up all recorded time based mudlogging data for the entire well operations
- 5.4. One online repeater LCD monitor to be installed in each of Drilling Engineer / Geologist's office, mud engineer's office, Company Supervisor's office & at mud pit area.
- 5.5. Sufficient no of tools and spares for smooth day to day operations.
- 5.6. UPS for backup power for the data processing / acquisition systems. UPS capable of supplying 15 minutes of electrical power to the equipment within the unit in the event of a power failure.
- 5.7. Intercoms with minimum 6 (six) terminals connecting derrick floor, mud attendant, Company representative office, mud engineer office, drilling engineer's office and MLU.
- 5.8. Fire Extinguishers, One (1) Eye Wash Station, First Aid Kit and Safety Harness (Full-Body Type).
- 5.9. Ditch Magnet of 1 meter length.
- 5.10. All other supplies as required to complete the SERVICES, including, but not limited to bactericide for samples intended for geochemistry and paleontological analysis, aluminium foil, plastic cling wrap, wax, packing tape, indelible marker pens, gas sampling balloons etc.

6.0 BACK-UP EQUIPMENT AND MATERIALS: Bidder is responsible for supplying all back-up equipment, materials in order to provide smooth and uninterrupted mud logging services to Oil India Ltd.

7.0 GEOLOGICAL SURVEILLANCE WORK: Geological surveillance work is required to be carried out round the clock at drilling site in Mud Logging Unit as detailed below:

7.1 Examination / Analysis:

A) During Sample Analysis/Examination, MLU personnel must be concerned about the followings:

1. Perform microscopic examination of samples to identify rock types, percentages and visual characteristics using comparator chart to determine grain size, sorting, roundness and standard classification system. Additionally, the lithology description should include the followings:
 - Colour, Fabric / Texture, Fossil identification
 - Grain Size
 - Mineral identification (calcite, clay, silica, metallic minerals etc)
 - Visual Porosity/Permeability estimation
2. On lithology work sheet, to write sample description for each new lithology, using standard terms and order.
3. If necessary, to perform selectively Calcimetry study, Shale Density and any other analysis required by Company.
4. The foreign materials should not be included in lithology description. Foreign material includes caving from the hole, and where identifiable, mud additives, loss circulation material, cement and pipe dope etc. If any foreign materials are observed then it should be noted on the Master Log. MLU personnel have to take care of the following hydrocarbon detection method:
 - UV fluorescence
 - Direct
 - Cut
 - Residual
 - Intensity of any petroleum odor.
 - Staining and Bleeding.
 - Oil reaction in acid.
 - Wettability
 - Gas composition

B) Gas analysis: Detection of gas from C₁ through C₅ along with volume percentage.

7.2 Detection of Down-hole Problems / Anomalies, etc. :

- High / Abnormal Pressure Prediction: Analysis / Computation of relevant data for detection of high pressure zones based on D_c Exponent, Shale Density, Sigma log and detection of H₂S, CO₂ etc.
- Immediate detection of kick and monitoring of pipe pressure.
- Detection of mechanical failure of bit, drill string and pumps.

7.3 Determination of Geological / Drilling Parameters:

- Determination of Shale Density
- Determination of kill mud weight, volume, etc.
- Real time plots of continuous recording of gas and FID/TCD based analysis of gas (C₁-C₅).
- Determination of volume of mud loss in case of circulation loss.
- Determination of pressure drops in mud circuit, jetting velocity, bottom dynamic pressure and Equivalent Circulation Density.

7.4 Plotting and Preparation of Data:

7.4.1 Mud Log:

- i. To use an industry standard mudlog format, generate and maintain current mudlogs in the computer and prepare their plots as requested by Company geologists in 1:500 scale including the followings -
- ii. The mud log should display lithological information in two ways, they are – i) **Percentage**, in which the rocks are described as a percentage of an aggregate sample over a specified interval and ii) **Interpretative**, in which recovered rocks are correlated with drill rate and gas. An abbreviated lithology description is to be given in the remarks column.
- iii. Plotting should be - both the Total Gas curve and the Component Gas curves on log scales in units of ppm. Plot on gas track should include formation gas, connection gas, trip gas and carbide lags.
- iv. Mud weights need to be recorded as a comment every 12 hours while drilling and whenever a mud weight change is made. Also to record and plot all trip gas, bottom-up gas and connection gas.
- v. To record hole problems (for example lost returns, drill pipe sticking etc.) on the log.
- vi. To record all casing and logging points on the Master log.
- vii. To record all bit trips, bit number, bit size and type on the Master log.
- viii. Mud additive information on the log (as Remarks) should be:
 - a. Mud additives name
 - b. The depth range of different additives used
- ix. To plot the bit penetration rate (ROP) as meter/hour and weight on bit. Gamma ray (from MWD/Wireline) plot should be increasing towards right side.
- x. **Also, at the end of drilling a well, bidder will provide “Composite Logs” at 1:500 scale containing the mud logging data together with basic wire-line logs (gamma, resistivity, porosity, density etc). To compute and plot the drilling “D_c” Exponent, Equivalent Circulation Density (ECD) calculation.**

7.4.2 A Gas Ratio log should be prepared in 1:500 scale with a summary interpretation displaying the following ratios:

- Wetness Ratio (Wh) = $(C_2+C_3+C_4+C_5) / (C_1+C_2+C_3+C_4+C_5)$
- Balance Ratio (Bh) = $(C_1+C_2) / (C_3+C_4+C_5)$
- Character Ratio (Ch) = $(C_4+C_5) / C_3$

7.4.3 Lag times:

- Carbide lag is to be recorded every shift or 500 meter while drilling or whenever required. Record resultant gas show on chromatograph mud log as response per gram of carbide.
- To Indicate time of bottom-up and method of determining that time on the Master Log (to include total number of strokes and time in minutes).

7.4.4 Other Requirements.

- i) Pressure log: To prepare in 1:500 scale.
- ii) Deviation drilling: In case of a deviated well (both J & S Bend), deviated section of the hole to be plotted (plan and vertical section) after computation of the data
- iii) Hole profile and drilling progress chart: To be plotted on regular basis/ daily.
- iv) Plotted data to be routinely (as advised) dispatched to the Company's office at Kakinada.
- v) Daily progress reports (including hydraulic report) to be submitted to Company's geologist every morning as well as to Company operational office or as advised by the geologist.
- vi) An updated PDF file of the Mud log, Pressure log, Drilling log, Gas log and Time log are to be given to Company's well-site geologist as well as send to Company's operational office daily. Print out of Mud log to be provided as when required by Company Geologist.

7.4.5 A Drilling log should be prepared with a summary of important drilling events in 1:500 scale.

7.4.6 Core Log should be prepared in 1:200 scales during coring.

7.5 Digital Data Storage: To store acquired, measured and observed data digitally Bidder has to provide the digital data on compact disk in LAS or ASCII format to the Company, immediately after completion of the well. All the time based data to be stored and provided to the Company at the completion of well in DVD.

8.0 FINAL WELL REPORTS:

One original plus two copies of Well History or Well Completion Report must be submitted to Company in hard copies and also all the data in CD within 15 (fifteen) days from completion of rig down of the Unit.

9.0 CONTRACTOR'S PERSONNEL:

- 9.1** The Contractor shall provide well qualified and competent crew to operate efficiently and maintain MLU round the clock on board the rig to perform the work.
- 9.2 Data Engineer:** (BE / B.Tech / M.Sc. in Geology), having minimum **3** (three) years' experience as Data Engineer as on bid closing date.
- 9.3 Mud Logger:** (BE / B.Tech / M.Sc. in Geology), having minimum **2**(Two) years' experience as a Mud Logger as on bid closing date.

All The above personnel needs to be properly trained in HSE and other safety requirements involving in onshore Drilling Rigs.

- 9.4 List of Personnel:** The Contractor shall provide the following personnel to ensure smooth running of operations:

S. No.	Description	Nos.
1	Data Engineer per Unit	2 (1 day + 1 night)
2	Mud Logger per Unit	2 (1 day + 1 night)

The Contractor will provide a listing of personnel with detail resume performing the mud logging services described earlier and get approval from Company to deploy that crew. The Company reserves the right to accept or reject the Contractor's proposed personnel. The Contractor will assign one set of mudlogging crew for operations in the Company rig for a particular well and will follow on/off pattern

10.0 DGMS Approval certificate:

Contractor has to obtain clearance / approval from Director General of Mines & Safety (DGMS) against their electronic / electrical equipments to be used in the well-sites under hazardous zone 1 & 2 as per Indian Oil Mines Regulation Act, 1984 and satisfy any other statutory requirements from DGMS.

Successful Contractor has to provide valid DGMS approval for all such electronics and electrical equipment/junction box/ motors at the time of mobilization. Contractor has to confirm the same in their Technical Bid.

11.0 MAINTENANCE :

The Mud Logging Units are to be maintained in proper working condition during operation to deliver uninterrupted service. MLU personnel must be competent and experienced enough to carry out routine maintenance of the Unit to provide trouble free service. Any breakdown, defect, malfunction, etc. of any item / equipment will need to be attended immediately and, if

required, to be replaced. For this purpose necessary spares and consumables to carry out repair / maintenance will need to be kept readily available at the Units so that the drilling, mud and other related parameters are available online / on continuous basis.

12.0 HEALTH SAFETY AND ENVIRONMENT

The Contractor shall submit the safety manual and operating procedure manual in advance to the Company for review and comment. The Contractor shall also submit a tool preventive maintenance system. Contractor also needs to submit their Corporate HSE policy. Contractor has to strictly follow all the HSE rules and regulation and follow safety rules practiced in a well-site and provide safety gears to their personnel. MLU should be fitted with safety equipment as per international practice. Contractor detailed MSDS sheets for all the chemicals that may be used in the MLU.

13.0 POLLUTION CONTROL

The Contractor undertakes that substances or rubbish in any form originating from Contractor's equipment shall not be dumped or discharged at, or around the well location. However, in the event of such dumping or discharge by Contractor, Contractor shall immediately assume all responsibility for the cost of the removal of items, substances or rubbish so dumped or discharged and for any resulting pollution or contamination in any form, in the well location and the surrounding area.

14.0 INSPECTION AND CERTIFICATES

14.1 Company reserves the right to inspect the complete Mud Logging Unit, Sensors and other related accessories at Contractor's Works/ workshop or any other suitable place (to be arranged by the Contractor) before its mobilization to the first drilling location under this contract to ascertain & certify its suitability and completeness. For this purpose, Contractor will notify Company regarding its readiness for mobilization at least fifteen days in advance, so that Company can depute its competent personnel for this pre-dispatch inspection in time. All expenses of Company's personnel towards the pre-dispatch inspection will be borne by Company. However, Contractor will arrange for testing facilities etc. to the satisfaction of Company personnel. Any complain/rectification/ replacement etc. as may be advised during such inspection must be set right before mobilizing the Unit to site. Company will not assume any responsibility in this regard whatsoever, leading to delay in completion of mobilization. Therefore, it is the prerogative of the Contractor to satisfy themselves and plan mobilization schedule before offering the Unit for pre-dispatch inspection by Company representatives.

14.2 Contractor shall acknowledge that Company may audit/inspect tools and equipment used by the Contractor at any time during the Contract period. Contractor's personnel at well side will ensure free access for Company's inspectors/geologists to the MLU at any time during the currency of the contract and will co-operate in carrying out random testing of the tools used for its operation. Upon successful commissioning of MLU at the designated drilling locations, Company representative/ well site geologist will provide MLU commissioning certificates to the Contractor after proper inspection.

Additionally, the Contractor must generate a Monthly working certificate of MLU operations and obtain signature thereon of the Company's well site Geologist. The MLU Commissioning Certificate and Monthly working certificates as aforesaid must be submitted along with all monthly running invoices/ bills of Contractor for release of payment by Company

End of Section-II

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SECTION – III

SPECIAL CONDITIONS OF CONTRACT

- 1.0 DEFINITIONS:** Following terms and expression shall have the meaning here by assigned to them unless the context otherwise requires:
- 1.1 **“Associated Services”** means equipment and services, asked for, along with DRILLING Rig Unit in this bid document. These include but not limited to equipment & services; camp/catering/ medical /security services, communication, safety & firefighting services well control services etc.
 - 1.2 **“Base camp”** means the camp where the Contractor’s personnel shall reside for carrying out the operations as per the Contract.
 - 1.3 **“Bidder’s representatives”** means such persons duly appointed by the Contractor thereof at site to act on Contractor’s behalf and notified in writing to the Company.
 - 1.4 **“Operation”** means all operations as generally understood for Testing Oil/Gas wells, more particularly all the operations required to be carried out pursuant to this Contract.
 - 1.5 **“DRILLING Rig Unit”** means DRILLING Rig complete with pumps, power packs, and other accessories and equipment as listed in the Contract.
 - 1.6 **“Facility”** means and includes all property of Company owned or hired, to be made available for services under this Contract and as described in this agreement which is or will be a part of the Company.
 - 1.7 **“Inter-location movement”** means transferring of the Unit (equipment & services) along with Associated Services & complete materials from present location after rig release till start of operations at next location.
 - 1.8 **“Operating Area”** means those areas in onshore India in which Company or its Affiliated Company may from time to time be entitled to conduct Operations pertaining to testing of Oil/Gas wells.
 - 1.9 **“Operation Base”** means the place or places, onshore, designated as such by Company from time to time.
 - 1.10 **“Spud/spudding/spudded-in of the well”** means the initiation of drilling of the well and the very first hit on well center of the new location after alignment and after the rig preparation is complete in all respects subsequent to clearance from safety, audit and the Company representative.
 - 1.11 **“Key Person”** means the person holding the full charge of the operations & personnel of the contractor at site.
 - 1.12 **“Company's items”** means the equipment, materials and services, which are to be provided by company at the expense of company and listed in the Contract.

- 1.13 **"Contractor's items"** means the equipment, materials and services, which are to be provided by the Contractor or company at the expense of the Contractor which, are listed in section under terms of reference and technical specifications.

2.0 MOBILIZATION

- 2.1 The Contractor must be able to **mobilize** his Mud Logging Unit / equipment, spares and all other necessary materials required for providing mud logging services within 45 (forty-five) days from the date of issue of Mobilization notice by the Company.
- 2.2 Contractor should mobilize the personnel for providing mud logging services within 3 (three) days from the date of issue of Mobilization notice for personnel by the Company.
- 2.3 The Contractor must be able to **remobilize (Interim Mobilisation)** his Mud Logging Unit / equipment, spares and all other necessary materials required for providing mud logging services within 30 (thirty) days from the date of issue of Remobilization notice by the Company.
- 2.3 Unless otherwise specified, the mobilization of the unit shall commence on the date of receipt of the Mobilisation Notice and continue until the complete Unit is properly positioned at the first location to start operations, after obtaining all the permits & clearances, (duly certified by the Company representative).

After the receipt of Mobilisation Notice, Contractor shall submit fortnightly report or any other report as desired by Company showing progress in each activities of mobilization.

- 2.4 The Contractor will advise readiness for commencement of mobilization / shipment to Company, at least 3 days before actual mobilization / shipment commences.
- 2.5 Mobilization charges will be payable after the commencement date as certified by the Company.
- 2.6 Company at its discretion may allow to start operation without complete mobilization, however necessary deduction for short supplied items will be made as per cost evaluated by OIL.
- (i) Deduction will be calculated based on Company's determined cost, which shall be treated as final, basis of which shall provide to the Contractor.
 - (ii) Notwithstanding this provision for partial mobilization Contractor must quote in accordance with relevant clauses for full mobilization.

3.0 CONTRACTOR'S PERSONNEL

- 3.1 The Contractor shall provide the experienced personnel for the services. 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 mobilization of the Contractor for start of operations.
- 3.2 The Contractor may engage additional personnel for maintenance or assistance in the performance of the Work. The Company shall not be responsible to pay any charge or day rate for such additional personnel.
- 3.3 The Contractor shall be responsible for, and shall provide for all requirements of his personnel, and of his 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 at no charge to the Company.
- 3.4 The Contractor's representative shall have the entire 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.
- 3.5 All mobilization and demobilization cost for Contractor's personnel from Contractor's base to Kakinada or Company's designated place and back shall be to Contractor's account and included in the Mobilisation and Demobilization charges as specified in the Section IV 'Schedule of Rates'. These include but not limited to travel expenses, in-transit food & accommodation charges, personal insurance etc. Company shall not be responsible for any extra charges in this regard whatsoever. Contractor's Personnel shall be required to be mobilized at Kakinada / designated place as specified by Company.
- 3.6 Except as otherwise hereinafter provided, Contractor shall be responsible for the selection, replacement, and determining remuneration of Contractor's personnel. Such employees shall be employees solely of the Contractor. Contractor shall ensure that its personnel will be competent and efficient. However, the Contractor shall provide details of experience, qualification and other relevant data of the personnel to be deployed for scrutiny and clearance by the Company before actual deployment. The Contractor shall not deploy its personnel unless cleared by the Company.
- 3.7 The Contractor shall nominate one of its personnel as Contractor's representative who shall be in charge of Contractor's personnel and who shall have full authority to resolve all day to day matters, which arise at the Site.
- 3.8 The Contractor shall be responsible for arranging relief of personnel during vacation, statutory off days, sickness etc. entirely at their cost. However, the relief personnel also must have the qualification/experience as indicated in Section II and Contractor shall submit qualification/ bio-data / experience / track record of the personnel. Moreover, the Contractor will have to obtain prior approval from Company for the relief personnel of the Contractor.

- 3.9 Contractor shall provide all manpower for necessary supervision and execution of all work under this Contract to Company's satisfaction except where otherwise stated.

The Contractor shall indicate their manpower category-wise clearly in their offer. The qualification/bio-data / experience / track record of the personnel proposed to be deployed shall have to be indicated clearly. Any additional manpower deployed by the Contractor shall be at the expense of the Contractor.

- 3.10 The Contractor will remove and replace any Contractor's personnel, who in the opinion of the Company, is incompetent, or negligent or of unacceptable behavior or whose employment is otherwise considered by the Company to be undesirable. The replacement personnel also must have the qualification/ experience as of original personnel. Contractor shall submit qualification/bio-data/ experience/ track record of the replacement personnel and shall obtain prior approval from Company for the replacement personnel. The replacement of such personnel will be fully at the cost of the Contractor and shall be made within Seven (7) days of such instruction from the Company.

4.0 CONTRACTOR'S ITEMS

- 4.1 The Contractor shall provide Contractor's items to perform the services under the Contract as specified in this document. The Contractor shall be liable obtain any permits or licenses required for the use of Contractor's Items
- 4.2 The Contractor shall be responsible for maintaining, at his cost, adequate stock levels of Contractor's items including spares and replenishing them as necessary.
- 4.3 The Contractor shall be responsible for the maintenance and repair of all Contractors' items and shall provide all spare parts, materials, consumables etc. during the entire period of the Contract.
- 4.4 Zero Rate shall be applicable for shutdown of Operations on account of inadequate supply of Contractor's items & personnel.

5.0 CONDUCTING OPERATIONS

- 5.1 The Contractor shall carry out all operations mentioned hereunder with due diligence in a safe and workmanlike manner and in accordance with accepted international oilfield practices.
- 5.2 Contractor shall observe such safety regulations in accordance with acceptable oilfield practice and applicable Indian Laws such as Mines Act, Oil Mines Regulation Act 1984 including all circulars as given by DGMS time to time, IER, safety rules recommendations from SPCB, OISD & MoEF etc. The Contractor shall take all measures reasonably necessary to provide safe working conditions and shall exercise due care & caution in preventing fire & explosion
- 5.3 In the event of any fire, Contractor shall use all reasonable means at his disposal to control the same & inform company forth with.

- 5.4 Contractor, in consultation with Company, shall decide when, in the face of impending adverse weather conditions, to institute precautionary measures in order to safeguard equipment and personnel to the fullest possible extent. Contractor and Company shall each ensure that their representatives for the time being at well site will not act unreasonably in the exercise of this clause.

6.0 CONTRACTOR'S SPECIAL OBLIGATIONS

- 6.1 Contractor at their cost shall arrange the clearance of the personnel, equipment, spare parts, consumables etc. from customs and port authorities in India. Company will provide all reasonable assistance but the responsibility for clearance will rest on the Contractor. Any demurrage in this process will be at the contractor's cost. However, the relevant custom duties will be payable by Company as per actual.
- 6.2 Contractor shall keep their equipment in good working order and shall begin the work with sufficient spares for the full operation period.
- 6.3 Contractor shall furnish to Company details of all equipment, duration of deployment of each equipment, spares and consumable to be brought into India three (3) weeks in advance of the date of shipment. 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.
- 6.4 Contractor shall furnish full particulars of crews e.g. name, nationality, passport number, date and place of issue and expiry date of passport, father's name, date and place of birth, designation etc. three (3) weeks before the start of activities.
- 6.5 Contractor will be fully responsible for any unauthorized 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 unauthorized imports.
- 6.6 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.
- 6.7 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 and handling of explosives etc.
- 6.8 Contractor shall use to the fullest extent all facilities available in India provided they are technically/operationally acceptable.
- 6.9 Contractor shall follow its own safety rules, in addition to rules prescribed under Indian Laws in this respect.
- 6.10 Contractor shall arrange all entry permits, inner line permits etc. 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 3 (three) working days in advance.

- 6.11 The Contractor shall bear all costs for transportation of their equipment and other materials including payment of Entry taxes during inter-state transfer of their Unit, Tools, equipment, spare parts etc.
- 6.12 It is expressly understood that Contractor is an independent Contractor and that neither it nor its employees and its sub-contractor are employees or agents of Company provided, however, Company is authorized to designate its representative, who shall at all times have access to the Unit, related equipment and materials and all records, for the purposes of observing, inspecting and designating the work to be performed herein by Contractor. The Contractor may treat Company's representative at well site as being in-charge of all Company's designated personnel at well Site.
- 6.13 **COMPLIANCE WITH COMPANY'S INSTRUCTIONS:** Contractor shall comply with all instructions of Company consistent with the provision of this Contract. Such instructions shall, if Contractor request, be confirmed in writing by Company's representative.
- 6.14 **RECORDS:** Contractor shall keep an authentic log and history of operations of each well on the daily report prescribed by the Company and upon completion or abandonment of the well, deliver to the Company, the original history and log book, properly signed and all other data and records of every nature, relating to completion of operations.

The Contractor shall also provide the Company:

- i) Daily report duly certified by the Company's representative.
 - ii) Daily roster of Contractor's personnel.
 - iii) All items including consumables imported through EC clearance under 'Nil' Customs Duty shall be recorded in the proper format, indicating date of receipt, type, consumption, date of replacement etc.
 - iv) Contractor shall provide the list of the items, equipment, consumables etc. to be re-exported by them after completion of services under this Contract along with all relevant documents.
- 6.15 **Confidentiality of Information:** All information obtained by the Contractor in the conduct of Operations shall be considered confidential and shall not be divulged by Contractor or its employees to anyone other than Company's representative. This obligation of Contractor shall be in force even after the termination of the Contract.
- 6.16 The Contractor shall arrange for inland transportation of all equipment, etc. from the port to the place of work and back at the end of the work at their own expense. Arrangement of Road Permits and payment of Entry Tax for bringing Contractor's equipment/ material to Work place shall be Contractor's responsibility.

- 6.17 In case the Contractor import the equipment etc. on re-export basis, the Contractor shall ensure for re-export of the equipment and all consumables and spares (except those consumed during the contract period) and complete all documentation required. Company will issue necessary certificates etc. as required. The Contractor shall arrange for re-export of equipment within 60 (sixty) days of notice of de-mobilization issued by the Company. If the re-export is not completed within the specified period, customs duty, penalty etc. levied by customs authorities for such delay shall be to Contractor's account and same will be deducted by the Company from Contractor's bills and Security Deposit.
- 6.18 Demobilization from location must be completed by the Contractor within 30 (thirty) days of expiry / termination of the Contract /issue of Demobilisation notice.
- 6.19 Demobilization shall be considered as complete only after submission of all the Reports, Data generated during the Contract period along with the Well Completion Reports and final print of all the logs of the last wells to the Company by the Contractor. Any other equipment provided by the Company during the Contract period need to be returned at the time of demobilization.

7.0 ASSOCIATION OF COMPANY'S PERSONNEL:

- 7.1 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 authorized 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.
- 7.2 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.

8.0 COMPANY'S SPECIAL OBLIGATIONS:

- 8.1 Company shall arrange for transportation of Contractor's equipment during inter-location movement.
- 8.2 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.
- 8.3 Company shall organize all possible help from local government / administration to Contractor's personnel and equipment in case of natural disasters, civil disturbances and epidemics.

- 8.4 Company shall provide boarding & lodging facility at Site for maximum 4(four) nos. of Contractor's Personnel at a time. The Contractor shall be solely responsible throughout the period of the Contract for providing all other requirements of their personnel including but not limited to, their transportation to & fro from Kakinada/ field site, en-route/ local boarding, lodging & medical attention etc. Company shall have no responsibility or liability in this regard. However, in case of emergency, company may provide available medical assistance/ facilities to contractor Personnel at Well site".
- 8.5 Company shall provide normal facilities at/around well-site at its cost to Contractor including but not limited to:
- a) Water, Electric Power;
 - b) Crane/ forklift usage, if required;
 - c) Radio/telephone communication facilities.
- 8.6 The Company shall provide the Contractor requisite certificates for obtaining rights of ingress to egress from the locations, where wells are to be drilled, including any certificate required for permits or licenses for the movement of Contractor's personnel. Shall such permits/ licenses be delayed because of objections of appropriate authorities in respect of specific Contractor's personnel; such personnel shall be promptly removed from the list by the Contractor and re placed by acceptable personnel. For any stoppage of operations for such delays, no Day Rate will be applicable.

9.0 POLLUTION AND CONTAMINATION:

- 9.1 The Contractor shall be liable for all surface pollution to the extent caused by Contractor and resulting from spillage or rubbish in any form or dumping of solvents/ additive substances or pollutants which the Contractor brings to the Site for use in connection with Work to be performed under this Contract. However, in the event of such dumping or spillage or discharge by Contractor, Contractor shall immediately assume all responsibility at their cost for the removal of items, substances or rubbish so dumped or discharged and for any resulting pollution or contamination in any form, at the well Site and the surrounding area.
- 9.2 Pursuant to Clause 9.1 above, the 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 Gross Negligence.
- 9.3 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; and/ or
 - b) Damage to or loss of any well; and/ or
 - c) Any other subsurface damage or loss; and/ or

- 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.

9.4 In the event, a third party commits an act or omission which results in pollution or contamination for which either the Contractor or Company, for whom such party is performing work, is held to be legally liable the responsibility therefore shall be considered as between the Contractor and Company, to be the same as if the party for whom the work was performed and all of the obligations respecting defiance indemnity, holding harmless and limitations of responsibility and liability, shall be specifically applied.

10.0 WAIVERS AND AMENDMENTS:

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 the Company to execute any right of termination shall not act as a waiver or amendment of any right of the Company provided hereunder.

11.0 CONFIDENTIALITY: The Contractor agrees to be bound by professional secrecy and undertake to keep confidential any information obtained during the conduct of Operations and to take all reasonable steps to ensure the Contractor's personnel likewise keep such information confidential.

11.1 This obligation shall keep in force even after the termination date and until such information will be disclosed by Company.

11.2 Contractor shall handover to Company all Company's documents or drafts concerning operations carried out and which are still in its possession before demobilization.

11.3 Contractor shall forbid access to the location to any people not involved in the operations or not authorized by the Company to have access to the location, however, this provision is not applicable to any Government and/or police representative on duty.

12.0 RIGHTS AND PRIVILEGES OF THE COMPANY: The Company shall be entitled:

12.1 To check the equipment and Contractor's items before the commencement Date. If they are not found in good order or do not meet specifications as per Section II or in case of non-availability of some of the Contractor's items listed therein, the Contractor may not be allowed for commencement until the Contractor has remedied such default.

12.2 To approve the choice of sub-Contractors for any essential third party contract, concerning materials, equipment, personnel and services to be rendered by Contractor. Sub-contract may be entered into by Contractor only after Company's approval.

- 12.4 To check, at all-times, Contractor's stock level, to inspect Contractor's equipment and request for renovation or replacement thereof, if found in unsatisfactory condition or not conforming to regulations or specifications.
- 12.5 **To order suspension of operations at Zero Day Rate while and whenever:**
- a) Contractor's personnel is deemed by Company to be not satisfactory; and/ or
 - b) Contractor's equipment does not conform to regulations or to the specifications laid down in the Contract; and/ or
 - c) Contractor's equipment turns into a danger to personnel on or around the rig or to the well; and/ or
 - d) Contractor's insurance in connection with the operations hereunder is found by Company not to conform to the requirements set forth in the Contract; and/ or
 - e) Contractor fails to meet any of the provisions in the Contract; and/ or
 - f) Any shortage in key/ additional (compulsory) personnel and inadequacy of other personnel; and/ or
 - g) Contractor is found non-compliant to HSE requirements as per Safe Operating Practices or applicable laws.
- 12.6 To reduce the rates reasonably, at which payments shall be made if the Contractor is allowed to continue the operation despite having certain deficiency in meeting the requirements as per provision in the contract.
- 12.7 In the event, Company is justifiably dissatisfied with Contractor's performance during the operation of any well hereunder on account of unreasonably slow progress or incompetence as a result of cause reasonably within the control of the Contractor, the Company shall give the Contractor written notice in which it shall specify in detail the cause of its dissatisfaction. Should the Contractor, without reasonable cause, fail or refuse to commence remedial action within 1 (one) day of receipt of the said written notice, the Company shall have the right to but not obligation to take over the specific operations, where the Contractor has failed to perform, till such time the Contractor commences remedial action. During the period of any such takeover, the entire cost of operation carried out by the Company will be deducted from the Contractor's payment, in addition to imposing penalty as applicable as per the Contract for the Contractor's failure.

13.0 EMERGENCY:

- 13.1 Without prejudice to any Clauses herein, Company shall be entitled in emergency (the existence of which shall be determined by Company) at its own discretion, to take over the operations, direct Contractor's personnel in the event that Company's interest will demand so. In such

- case, Company will notify Contractor of its action and within three (3) days confirm such notice in writing, setting forth the reasons for its action.
- 13.2 In such event, Company shall pay the Contractor in accordance with the terms of the Contract as if the Contractor was carrying out the operations.
- 13.3 All operations so conducted shall remain at the risk of Contractor to the extent Contractor is covered by insurance . When the operations have been completed or when the conduct of the operations has been returned to the Contractor, the equipment shall again be put at Contractor's disposal in the same condition as at the time the operations were taken over by Company, taking into account normal wear and tear and any inherent defects at the time of taking over by the Company.
- 14.0 The rates payable under this Contract, shall be firm during the Contract period including the extension period, if any.
- 15.0 **HEADINGS:** The headings of the clauses of the contract are for convenience only and shall not be used to interpret the provisions hereof.
- 16.0 **PREVENTION OF FIRE AND EXPLOSIONS:** Contractor shall maintain all equipment in good condition at all times and shall take all possible steps to control and prevent the fire and explosion. The Contractor shall be responsible for taking all preventive and corrective measures for initial control of, fire explosion, and thereafter, Contractor shall inform the Company's Representative.
- 17.0 **DISCIPLINE:** The Contractor shall maintain strict discipline and good order among their respective employees and their respective Sub-Contractors, if any, and shall abide by and conform to all rules and regulations promulgated by the Company and Contractor governing the operations at the assigned worksites. Shall the Company feel with just cause that the conduct of any of the Contractor's personnel is detrimental to Company's interests, the Company shall notify Contractor in writing the reasons for requesting removal of such personnel. The Contractor shall remove and replace such employees at their expense within 7 days from the time of such instruction given by the Company.
- 18.0 **LOSS OR DAMAGE OF UNIT / EQUIPMENT:**
- 18.1 The Contractor shall at all times be solely responsible for any damage to or loss or destruction of the Contractor's items and its other property irrespective of how such loss, damage or destruction is caused, and even if caused by the negligence of the Company and/ or its servants, agents, nominees, assignees, contractors and subcontractor, and Contractor shall hold harmless and indemnify OIL from and against any expenses, loss or claim related to or resulting from such loss, damages or destruction.
- 18.2 If the Contractor's items are declared to be a total loss and/or construed to be total loss, as determined by the applicable insurance coverage, this Contract shall terminate as of the occurrence of the event causing such loss and each party shall there upon be released of all further obligations here under in respect of the Contract, except for its

payment of monies then due or liabilities to be charged in respect of the Work already done under this Contract.

19.0 LOSS OR DAMAGE OF SUB-SURFACE EQUIPMENT:

Notwithstanding any provision under this Contract to the contrary, Company shall assume liability except in the event of Gross Negligence on the part of the Contractor for loss or damage to the Contractor's sub-surface equipment/ tool in hole below rotary table. Company shall at its option either reimburse the Contractor for the value of lost equipment/ tool as declared in the import invoices at the time of mobilization or subsequent replacement/ addition of the same equipment/ tool or CIF value whichever is lower for any such loss or damage, less depreciation @ 3% per month from the date of start of the Contract upto a maximum depreciation equivalent to 50% of CIF value as indicated by the Contractor in Proforma-A, or at its option to replace similar equipment/ tools. All such cost shall be payable by Company only after Contractor produces documentary evidence that the particular equipment/ tool is question is not covered by Contractor's insurance. For such claims Contractor shall notify Company within one month. The inspection of recovered from downhole need to be made by Company Representative before submission of the invoice by the Contractor.

- 20.0 **LOSS OF HOLE OR BLOWOUT OR CRATER:** The Company shall be responsible for and shall defend and indemnify and hold harmless Contractor and its subcontractor against all loss of or damage to the hole, the well or casing therein, or for the cost of regaining control of a wild well, and re-drilling, and in the event of well blows out, for loss, damage, personal injury or death arising on the surface as a result of such subsurface occurrence, including damage to any drilling rig, platform or the structure at or around the well-site, and for removal of debris, pollution or contamination including costs of cleaning up and disposal regardless of cause

21.0 PENALTY:

- 21.1 For payment of the Operating Day Rate/ Standby Day Rate, the Contractor must ensure that the computer systems and sensors viz. mentioned in Clause 3.0 in "Scope of Work" (Section-II) remain functional during the invoice period. Contractor must submit the Performance Report of the sensors duly certified by Company representative along with the invoice.
- 21.2 If the performance of the computer systems and sensors viz. mentioned in Clause 3.0 of "Scope of Work" (Section-II) is below 70% during the invoice period, only 80% of the Operating Day Rate shall be payable to the Contractor. If the performance of the sensors is above 70% and below 90% during the invoice period, then only 90% of the Operating Day Rate shall be payable to the Contractor. The Contractor must ensure that the defective sensors are repaired within 24 hours. Otherwise, penalty will be applied as above
- 21.3 If Contractor's computer systems, tool/ equipment fails to perform totally resulting halt of mud logging operations, for any reason during the operations and the same could not be repaired within 6 hours' time then no charges, whatsoever, shall be payable to Contractor until the equipment/

tool is put back in to operating condition or evidenced by demonstration of operation in actual tests or use to the satisfaction of Company.

- 21.4 Any malfunctioning / non-availability of instruments/ equipment beyond 24 hrs. will attract pro-rata deduction of bill and penalty.
- 21.5 The functioning of all the sensors will be jointly checked and certified by Company Personnel at least once in every month to ensure that the data collected is authentic. Any unit/ equipment found not working as per specification will be treated non-operational attracting pro-rata deduction in payment as well as penalty.

22.0 AREA OF OPERATION

The area of operation is restricted to onshore KG Basin **Block KG-ONN-2004/1** of Andhra Pradesh and Yanam district of Puducherry. However, Company reserves the right to deploy the units and services with same rate, terms and a condition to OIL's other operational areas in India within the contract period.

- 23.0 RADIOACTIVE MATERIAL: In accepting any order to perform or attempt to perform any service involving the use of radioactive material, Company agrees that Contractor shall not be liable or responsible for injury to or death of persons or damage to property (including, but not limited to, injury to the well), or any damages whatsoever irrespective of the cause, growing out of or in any way connected with Contractor's use of radioactive materials. Company shall absolve and hold Contractor harmless against all losses, cost, damages and expenses incurred or sustained by Company or any third party irrespective of the cause excluding willful and gross negligence by Contractor or its agents, servants, officers or employees, resulting from any such use of radioactive material. In case of radio-active source lost in hole during logging operation, action will be initiated as per AERB guidelines
- 23.0 If any of the clauses in this section contradict with other clauses of GCC (part 3 Section I), then the clauses in this section shall prevail.

END OF SECTION-III

SECTION - IV

SCHEDULE OF RATES

The bidder shall quote the following rates in their price bid as per the format given below. The payment shall be made for the actual work done and all “DAY RATE ” charges shall be payable after prorating to nearest hour.

A. MOBILIZATION CHARGES (LUMP SUM)
(TOOLS/ EQUIPMENT / CONSUMABLES WITH ALL ACCESSORIES)

- i) **Mobilization Charges** as LUMP SUM amount shall be payable on the completion of **Mobilization** as defined in Clause 2.2 of Section I ‘General Conditions of Contract’ subject to successful commissioning of the MLU at the drilling Site. The commissioning shall include keeping the MLU under observation on working condition for at least 72 hrs and certified by Company’s representative that the Unit is ready to undertake the operation/services.
- ii) Mobilization Charges should cover all local and foreign costs of the Bidder to mobilize the equipment to the appointed Site (first drilling location) including all local taxes, port fees, inland transport etc., but excluding Customs duty (which will be to Company’s account, if applicable) on the items declared in Proforma A.
- iii) Separate Mobilization notice will be issued against each unit. Mobilization Charges for each Unit should be quoted separately.
- iv) Total Mobilization Charges of the price format should not exceed 7.5% of the total estimated Contract value.

B. DEMOBILIZATION CHARGES (LUMP SUM)
(TOOLS/ EQUIPMENT / CONSUMABLES WITH ALL ACCESSORIES)

- i) The **Demobilization Charges** should be quoted as lump sum charge and shall cover all the local and foreign costs of the Contractor to demobilize the Contractor’s items including all fees, duties and taxes in relation thereto, insurance and freight within India or on export/re-export outside India.
- ii) **Demobilization Charges** will be payable as “**LUMP SUM**” amount to the Contractor by the Company after completion of Company’s activity for each Unit against this Contract. Separate Demobilization notice will be issued against each unit upon completion of Company’s activity. The Contractor shall arrange for and execute demobilization of their entire package of Contractor’s items against each unit upon receipt of notice from the Company.
- iii) All charges against each unit, whatsoever, shall cease to exist with effect from the day the Contractor is issued Demobilization notice by the Company for respective unit.

- iv) Demobilization charges shall be paid to the Contractor for complete package of Tools/ Equipment/ Spare/ Accessories etc. against each unit after completion of the Company's activity/contractual period/ termination of the Contract.
- v) The Total **Demobilization Charges** should not exceed 7.5% of the total estimated Contract value.
- vi) The Contractor is required to complete Demobilization within 30 (thirty) days from the date of issuance of "Demobilization Notice" served by the Company. Penalty will be imposed "@10% per day" of Demobilization Charges for every additional day consumed by Contractor beyond stipulated 30 (thirty) days to complete Demobilization.

C. OPERATING DAY-RATE(ODR)
(TOOLS/ EQUIPMENT / CONSUMABLES WITH ALL ACCESSORIES)

- i) The **ODR** shall be payable on day rate basis for providing the Mud Logging services during operation at Site from the date of commissioning of MLU.
- ii) **ODR** shall be payable during the Mud Logging Unit is in operation. It is considered that the Unit is in operation only when all the sensors and equipment are fully functional and the online data is generated.
- iii) The **ODR** shall include the cost of maintenance, spares and all consumable those are required to operate the MLU smoothly and efficiently.
- iv) The **ODR** shall include all other necessary equipment, tools and accessories etc. to be provided by the Contractor for due performance of the intended services without any additional charges to the Company.
- v) During **ODR** period the tools/equipment are required to be in fully operating condition, repair and preventive maintenance with prior permission of Company.
- vi) The **ODR** shall not be payable if the Contractor withdraws the whole or part of the equipment or any manpower affecting operations.
- vii) For Mud logging Unit Operating Day-Rate charges, Contractor shall raise invoices at the end of each calendar month. Contractor must submit the Performance Report of the sensors duly certified by Company Representative along with the invoice.

D. STANDBY DAY RATE (SDR)
(TOOLS/ EQUIPMENT / CONSUMABLES WITH ALL ACCESSORIES)

- i) **SDR** for Contractor's items shall be payable from the date of commissioning of MLU.
- ii) Except as otherwise provided, the **SDR** shall be payable during stand by period of the Contractor's tools/ equipment etc. The standby period means the period mud logging unit is not fully in operation at the Site due to the operations like well testing/Rig equipment failure/ waiting on Rig or third party equipment's/Rig repair/ standby / shut

down etc. Operations like wire-line logging more than 48 hours, fishing jobs with wire line / slick line, completion job , BOP installations and any other operation during which MLU is not fully functional for more than 48 hours and rig is without any activity down hole will also be considered as **SDR** . However, for all above, for the initial consecutive 48 hours the **ODR** shall be payable. The **SDR** shall apply beyond the initial 48 hours till resumption of normal operation.

- iii) The **SDR** shall **not** be payable during Inter-Location Movement (ILM) of Contractor's items, i.e. period from rig-down in one location to rig-up in the next location including installation and commissioning of the Contractor's tools/ equipment.
- iv) Maximum 2 days of **SDR** for Rig up and 2 days **SDR** for Rig down will be payable prior to final demobilization for subsequent Rig up and Rig down after initial commissioning of unit.
- v) **SDR** shall not be payable to the Contractor for the period **ODR** is being paid.
- vi) **SDR** should not exceed **80%** of the **ODR**.

E. NO CHARGE PERIOD
(TOOLS/ EQUIPMENT / CONSUMABLES WITH ALL ACCESSORIES)

- i) No charges are payable during the period the Mud Logging Unit is not in working condition for non-availability of crew, spares or consumables or for any other reason attributable to the Contractor.
- ii) If Contractor's tool/ equipment fails to perform totally, for any reason during the operations and the same could not be repaired within 6 hours' time then no charges, whatsoever, shall be payable to Contractor until the equipment/ tool is put back in to operating condition or evidenced by demonstration of operation in actual tests or use to the satisfaction of Company.

F. MOBILIZATION CHARGES OF PERSONNEL TO WELL SITE

- i) **Mobilization Charges** shall be "**LUMP SUM**" amount and shall cover all costs of Contractor include but not limited to travel expenses, in-transit accommodation charges, personal insurance etc. for Contractor's Personnel to reach the Company designated Site on receipt of the mobilization notice from Company.
- ii) **Mobilization Charges** shall be payable to the Contractor after the completion of **Mobilization** of Contractor's Personnel as defined in Clause 2.2 of Section I 'General Conditions of Contract'.
- iii) Separate Mobilization notice will be issued for mobilization of personnel for each location and contractor needs to mobilise personnel within the time period stated in clause 2.0 of special condition of contracts to the company designated location or as stated otherwise, failing which no Mobilization charges shall be paid to the contractor.

- iv) For each complete Mobilization of personnel, contractor shall raise invoices at the end of the calendar month.

G. DEMOBILIZATION CHARGES OF PERSONNEL FROM WELL SITE

- i) **Demobilization Charges** shall be **“LUMP SUM”** amount and shall cover all costs of Contractor include but not limited to travel expenses, in-transit accommodation charges, personal insurance etc. for Contractor's Personnel to depart from any Site on receipt of demobilization notice from Company Representative from that drilling location.

NOTE: The Company retains the right to “mobilize & demobilize” above personnel “to and from” any drilling location depending upon operational requirement. Also the Company retains right to remobilize the above personnel to any drilling location at any time during the course of the Contract depending upon operational requirement. Thus Contractor is required to fulfill their obligation on Mobilization / Demobilization of above personnel upon receipt of appropriate notice from the Company.

H. OPERATING DAY RATE FOR PERSONNEL (ODRP)

- i) The **ODRP** shall be payable on day rate basis during the period the MLU is fully in operation at Site. ODRP shall be payable for the following contractor's personnel:
 - a) Data Engineer: 2 Data Engineers for each unit.
 - b) Mud Logger : 2 Mud Loggers for each unit.
- ii) Payment of ODRP will be directly linked to operational condition of respective tool/ equipment handled by Contractor's Personnel as per contractual assignment.
- iii) If breakdown of the Contractor's tool/ equipment result into the halt of mud logging operations and the same could not be repaired within 6 hours' time no **ODRP** shall be payable to Contractor's Personnel until the equipment/ tool is put back in to operating condition or evidenced by demonstration of operation in actual tests or use to the satisfaction of Company.
- iv) The **ODRP** for Contractor's Personnel ceases to exist with effect from the day the Company serves notice of demobilization to the Contractor due to termination/ expiry of the Contract.
- v) **NO ODRP** shall be payable during the ILM period including reinstallation & decommissioning and full standby period.
- vi) The Contractor may engage additional personnel for maintenance or assistance in the performance of the Work. The Company shall not be responsible to pay any charge or day rate for such additional personnel.

I. STANDBY DAY RATE FOR PERSONNEL (SDRP)

- i) The **SDRP** shall be payable to the Contractor's Personnel during the period mud logging unit is not fully in operation at the Site due to the operations like well testing/Rig equipment failure/ waiting on Rig or third party equipment's/Rig repair/ standby / shut down etc. However, for all above, for the initial consecutive 48 hours the ODRP shall be payable. The SDRP shall apply beyond the initial 48 hours till resumption of normal operation.
- ii) **SDRP** shall start from the date of completion of Mobilization. **SDRP** shall be payable for the following contractor's personnel:
 - a) Data Engineer: 2 Data Engineers for each unit.
 - b) Mud Logger: 2 Mud Loggers for each unit
- iii) **SDRP** shall not be payable to the Contractor for the period **ODRP** is being paid.
- iv) Maximum 2 days of **SDRP** for Rig up and 2 days **SDRP** for Rig down will be payable prior to final demobilization for subsequent Rig up and Rig down after initial commissioning of unit.
- iv) The **SDRP** shall not be payable to the Contractor's Personnel if mud logging operations are stopped due to breakdown of Contractor's equipment or any reason attributable to the Contractor.
- v) **SDRP** should not exceed **80%** of the **ODRP**.

**J. INTERIM DEMOBILIZATION & REMOBILIZATION CHARGES
TOOLS / EQUIPMENT / CONSUMABLES WITH ALL ACCESSORIES**

- i) The bidder is required to quote **Interim Demobilization & Remobilization Charges** in LUMP SUM to any well **covering** rental Tools/ Equipment with accessories. The company retains the right to Demobilize Contractor's Equipment & Tools temporarily from any well site and Remobilize the Equipment & Tools to same well site or another well site in case of, but not limited to, need for temporary suspension of Company's activity for operational reasons, or any other reason as deemed fit to the Company. In such an event these charges in LUMP SUM amount are payable.
- ii) No Charges, whatsoever, will be payable from the time the Interim Demobilization notice is issued till Remobilization is completed under Company's advice and duly certified by Company's representative.
- iii) These charges, however, shall not be considered for price bid evaluation.
- iv) The total period of interim demobilization and remobilization during the Contract duration for equipment/ tools and accessories shall not exceed 3 (three) months. However, beyond said period, the interim demobilization and remobilization period may be extended by the parties at mutually agreed rates, terms and conditions. The Company, at its discretion, may add back such interim demobilization and remobilization period to the original Contract duration at the same rates, terms and conditions by giving 30 (thirty) days notice to the Contractor before the expiry of the Contract.

- v) **The total Interim De-Mobilization and Re-Mobilization Charges quoted should not exceed 75 % of the total Mobilization and Demobilization Charge.**

K. INTER – LOCATION MOVEMENT (ILM) CHARGES :
(TOOLS / EQUIPMENT / CONSUMABLES WITH ALL ACCESSORIES)

- i) The Contractor shall carry out inter-location movement of Contractor's items on completion of operation at one well & after receipt of notice from the Company. **Lump Sum ILM Charges** shall be payable after mobilization of Contractor's items to Company designated next location, only when all the tools/ equipment/ consumables are received and tools/ equipment are inspected to the satisfaction of OIL.
- ii) The Contractor shall be solely responsible for executing Inter-Location Movement that covers shifting of all tools / equipment / consumables / Accessories. However, the Company shall provide the crane at loading & unloading points and shall arrange for transportation of the Mud Logging Unit during inter-location movement. Contractor's personnel are required to be present during loading, unloading and inter-location movement of the mud logging unit. Company shall not be held responsible for any damage of the unit / equipment during inter-location movement. Supervision, safety of the tools/ equipment/ consumables/ accessories during loading, transportation & unloading will be responsibility of the Contractor.
- iii) The Contractor is required to complete Inter-location movement inclusive of Dismantling of Contractor's facility in one well, Re-Installation and Re-Commissioning of same in next well as per operational requirement.
- iv) **No Day Rate Charges (STANDBY RATE)** for Tools / Equipment shall be payable during the period of inter location movement [from one well to next well] inclusive of Re-Installation & Re-Commissioning at next well. Day Rate charges shall be applicable from the time, the ILM is completed as per (iii) above and certified by the Company representative. Locations are at a distance of 50 kms (approx.) from each other.

L. FORCE MAJEURE CHARGES:

- i) Upon occurrence of force majeure situation and if it satisfies the Force Majeure terms vide Clause No. 11.0 of Section-I "General Conditions of Contract", the Force Majeure rate shall be applicable and Contractor shall be paid by Company @ **50%** of the operating charges for equipment and personnel quoted by the bidder.
- ii) The **Force Majeure Rate** shall be payable during the first 10 (**ten**) days period of force majeure condition. No payment shall accrue to the Contractor beyond the first 10 (ten) days period unless mutually agreed upon.

GENERAL NOTE:

- i) Bidders are required to quote for two Mud Logging Units (1 firm + 1 optional) for a period of **12 months for drilling and completion of 5/6 wells with a provision for extension of further 12 (Twelve) months** at the same rates, terms and condition at the option of the company. Both the units will be considered for evaluation. Initially 1 Mud logging Unit will be mobilized, the 2nd Unit is expected (subject to requirement) to be mobilized after 6 month from the mobilization of the 1st unit. However, the mobilization of 2nd unit may pre-pone/postpone depending upon the availability of the Rig.
- ii) It is planned to mobilize the 1st unit for drilling and completion of 3 wells in 1 year duration and subsequently the 2nd unit will be mobilized for the next 2/3 wells with the 2nd Rig. Separate Mobilization notices will be issued for each unit. However, on the event of delay in mobilization of the 2nd Rig, the 1st unit **may be** extended for the next 2/3 wells. Company reserves the right for mobilization for the 2nd unit and utilise the first mobilised unit itself for completion of contract / wells.
- iii) The estimated total days of operation of the Mud Logging Unit in one year will be three hundred sixty five (365) days which will be considered for evaluation of bids only and payment shall be made at ACTUAL UTILISATION basis.
- iv) The rates/charges indicated above shall include all applicable taxes, duties, etc. except service tax and customs duty which shall be to OIL's account, if applicable.
- v) Company reserves the right to deploy the units and services with same rate, terms and conditions to OIL's other operational areas in India within the contract period. The transportation cost whatsoever for the unit may be mutually agreed upon and payable on submission of actual bill.
- vi) Services on Call Out/Optional shall be mobilized by the Contractor only after the instructions from Company. Except as otherwise stated in this Schedule of Rates, no other charges on any account, whatsoever will be payable for Services on Call Out basis.
- vii) Bidders should indicate name and address of their Indian agent if any and also should specify the percentage of commission if any involved and it should be included in the quoted rates. In case no Indian agent commission is involved then should be shown as "NIL".
- viii) The contractor shall not be eligible for any other charges, whatsoever, other than those defined in schedule of rates. All charges arising out of said operations shall have to be covered accordingly in the submitted price bid.
- ix) Bidder should submit the list of items with CIF value to be imported into India in connection with execution of this contract as per Proforma- A.

- x) From the Proforma- A, bidder should identify the items of re-exportable in nature (i.e. items which will not be consumed during the execution of the contract and required to be exported outside India after completion of the contract). Total CIF value of such items should be shown in the “PRICE FORMAT” as CIF (RE-EX).
- xi) Similarly from the Proforma-A, bidder should identify the items of consumable in nature (i.e. items which will be consumed during the execution of the contract). Total CIF value of such items should be shown in the “PRICE FORMAT” as CIF (CONSUMABLES).

End of Section-IV
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Annexure-I

INTEGRITY PACT

Between
Oil India Limited (OIL) hereinafter referred to as “The Principal”

And

----- hereinafter referred to as “The Bidder/Contractor”

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for Tender No. CEG0335L16. The Principal values full compliance with all relevant laws and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder/s and Contractor/s.

In order to achieve these goals, the Principal cooperates with the renowned international Non-Governmental Organisation “Transparency International” (TI). Following TI’s national and international experience, the Principal will appoint an external independent Monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of the Principal

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
 1. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.
 2. The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.
 3. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder/Contractor

- (1) The Bidder/Contractor commits itself to take all measures necessary to prevent corruption. He commits himself to observe the following principles

during his participation in the tender process and during the contract execution.

1. The Bidder/Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 2. The Bidder/Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 3. The Bidder/Contractor will not commit any offence under the relevant Anticorruption Laws of India; further the Bidder/Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 4. The Bidder/Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder/Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts

1. If the Bidder, before contract award has committed a transgression through a violation of Section 2 or in any other form such as to put his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.
2. If the Bidder/Contractor has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder/Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressions within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
3. The Bidder accepts and undertakes to respect and uphold the Principal's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such

exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.

4. If the Bidder/Contractor can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.
5. A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

Section 4 – Compensation for Damages

1. If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder liquidated damages equivalent to 3 % of the value of the offer or the amount equivalent to Earnest Money Deposit/Bid Security, whichever is higher.
2. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/Performance Bank Guarantee, whichever is higher.
3. The bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder/Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount or the liquidated damages, the Bidder/Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5 – Previous transgression

1. The Bidder declares that no previous transgression occurred in the last 3 years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section 6 – Equal treatment of all Bidders/Contractor/Sub-Contractors

1. The Bidder/Contractor undertakes to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
2. The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Sub-Contractors.
3. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

**Section 7 – Criminal charges against violating
Bidders/Contractors/Subcontractors**

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Sub-Contractor, or of an employee or a representative or an associate of a Bidder, Contractor or Sub-Contractor, which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

**Section 8 – External Independent Monitor/Monitors
(three in number depending on the size of the contract)
(to be decided by the Chairperson of the Principal)**

1. The Principal appoints competent and credible external independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairperson of the Board of the Principal.
3. The Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Sub-Contractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder/ Contractor/ Sub-Contractor with confidentiality.
4. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
6. The Monitor will submit a written report to the Chairperson of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the 'Principal' and, should the occasion arise, submit proposals for correcting problematic situations.
7. If the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
8. The word 'Monitor' would include both singular and plural.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/ lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/ determined by Chairperson of the Principal.

Section 10 – Other provisions

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi.
2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Contractor is a partnership or a consortium, this agreement must be, signed by all partners or consortium members.
4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

(B. Brahma)
For the Principal

Place: Kakinada
Date: 25.02.2016

for the Bidder/Contractor

Witness 1:

Witness 2:

Annexure II**Bio-Data and Experience of Personnel**

Name:

Educational Qualification:

Certifications:

Experience in last five years

Year	From Date	To Date	Name of Organization	Client/ Project	No. of days worked	No. of Cementing jobs done	Type of wells drilled	Worked as

Format for Other personnel

- 1 CATEGORY OF JOB / POST :
- 2 NAME OF INCUMBENT :
- 3 PRESENT ADDRESS :
- 4 HOME ADDRESS :
- 5 NATIONALITY :
- 6 DATE OF BIRTH :
- 7 ACADEMIC QUALIFICATION :
- 8 TECHNICAL QUALIFICATION :
- 9 TOTAL EXPERIENCE IN THE RELATED FIELDS (IN YEARS) :
- 10 JOB EXPERIENCE RESUME :

SL NO	WORK EXPERIENCE		TYPES OF JOB CARRIED OUT	NAME OF COMPANY	PLACE OF WORK
	FROM	TO			

NOTE: TO ATTACH ALL SUPPLEMENTARY DOCUMENTS.

SIGNATURE OF THE BIDDER

ANNEXURE-III

PROFORMA UNDERTAKING FROM CONTRACTOR'S PERSONNEL

I _____ S/o _____ having permanent residence at _____ Dist. _____ am working with M/s. _____ as their employee. Now, I have been transferred by M/s. _____ for carrying out the contract job under Contract No. _____ which has been awarded in favour of my employer M/s. _____.

I hereby declare that I will not have any claim for employment or any service benefit from OIL by virtue of my deployment for carrying out contract job in OIL by M/s. _____.

I am an employee of _____ for all practical purposes and there is no privity of Contract between OIL and me.

Signature

Place:

Date:

1. NAME:
DESIGNATION:.....
DATE:.....

2. NAME:.....
DESIGNATION:.....
DATE:.....

PROFORMA - A

LIST OF ITEMS (EQUIPMENT, TOOLS, ACCESSORIES, SPARES & CONSUMABLE) TO BE IMPORTED IN CONNECTION WITH EXECUTION OF THE CONTRACT SHOWING CIF VALUE.

Sl. No.	Item Description	Qty/Unit	Rate	Total	Freight & Insurance	CIF Value	Port & other charge	Landed Cost	Re-exportable? YES	Year of Mfg.	HSN Code
A	B	C	D	E = C x D	F	G = F + E	H	I = G + H	J	K	L
1											
2											

(1) The items which are not of consumable in nature and required to be re-exported outside India after completion of the Contract should be indicated as "YES" in column "J".

(2) The items which are of consumable in nature should be indicated as "PARTLY" in column "J".

(3) For estimation of applicable customs duty, the bidders are required to indicate customs tariff code (i.e. HSN Code) of each item in column "L".

(4) At the time of bid submission, bidder may mention the indicative value as above. However, the detailed List of Items as per Proforma A shall be submitted by the successful bidder after the shipment of items."

Authorized Person's Signature: _____

Name: _____

Seal of the Bidder:

PROFORMA – B**PRICE BID FORMAT****(FOR COMMERCIAL EVALUATION ONLY)**

Tender No.:

Quotation No.:

Currency of Quote:

Validity of Bid:

EQUIPMENT & PERSONNEL CHARGES (AA):

Sl. No	PARTICULARS	UNIT	QUANTITY (a)	RATE (b)	TOTAL T=(a)*(b)
A	Mobilization Charges (tools / equipment / consumables with all accessories)	Lump Sum	2		
B	Demobilization Charges (tools / equipment / consumables with all accessories)	Lump Sum	2		
C	Inter-Location Movement Charges (tools / equipment / consumables with all accessories)	Lump Sum	5		
D	Operating Day Rate (ODR) (tools / equipment / consumables with all accessories)	Per day	435 days (U1=265 U2=170)		
E	Standby Day Rate (SDR) (tools / equipment / consumables with all accessories)	Per Day	170 days (U1=100 U2=70)		
F	Mobilization Charges for Personnel Data Engineer x 2 nos.	Lump Sum	6		
G	Mobilization Charges for Personnel Mud logger x 2 nos.	Lump Sum	6		
H	Demobilization Charge for Personnel Data Engineer x 2 nos.	Lump Sum	6		
I	Demobilization Charge for Personnel Mud logger x 2 nos.	Lump Sum	6		
J	Operating Day Rate for Personnel (ODRP) Data Engineer x 2 nos.	Per day	435 days (265+170)		
K	Operating Day Rate for Personnel (ODRP) Mud logger x 2 nos.	Per day	350days (200+150)		
L	Standby Day Rate for Personnel (SDRP) Data Engineer x 2 nos.	Per day	170 days (100+70)		
M	Standby Day Rate for Personnel (SDRP)	Per day	110 days (60+50)		

	Mud logger x 2 nos.				
TOTAL ESTIMATED VALUE OF THE CONTRACT AA=(A+B+C+D+E+F+G+H+I+J+K+L+M)					
N	Interim Demobilization- Remobilization Charges (tools / equipment / consumables with all accessories)	Lump Sum	1		

NOTES:

- 1) The rates and charges quoted above shall include all taxes, duties, etc. but exclude custom duty and service tax as the same will be to the Company's account, if payable.
- 2) The quantities shown above are for bid evaluation purpose only and payment shall be made for the actual utilization / quantum of the work done.
- 3) Contractors are required to quote for two Mud Logging Units (**1 firm + 1 optional**) for a period of **12 months for drilling and completion of 5/6 wells with a provision for extension of further 12 (Twelve) months** at the same rates, terms and condition at the option of the company. Both the units will be considered for evaluation. Initially 1 Mud logging Unit will be mobilized, the 2nd Unit is expected (subject to requirement) to be mobilized within 4 to 6 months from the mobilization of the 1st unit. However, the mobilization of 2nd unit may pre-pone/postpone depending upon the availability of the Rig. Company also reserves the right for mobilization for the 2nd unit and utilise the first mobilised unit itself for completion of contract / wells.
- 4) It is planned to mobilize the 1st unit for drilling and completion of 3 wells in 1 year duration and subsequently the 2nd unit will be mobilized for the next 2/3 wells with the 2nd Rig. Separate Mobilization notices will be issued for each unit. However, in the event of delay in mobilization of the 2nd Rig, the 1st unit **may be** extended for the next 2/3 wells. Company reserves the right of mobilization for the 2nd unit and utilise the first mobilised unit itself for completion of contract / wells.
- 5) The breakdown of nos. for the two units is shown in brackets.
- 6) Bidders shall quote for all the items mentioned in Proforma B.
- 7) Contractors are required to quote the prices for 2 Data Engineers as 1 unit and also 2 Mud Loggers as 1 Unit for Mobilization, Demobilization, Operating and Standby Day Rate for Personnel.
- 8) Services on Call Out/Optional shall be mobilized by the Contractor only after the instructions from Company.
- 9) Interim Demobilization & Remobilization charges as mentioned in "N" will not be considered for evaluation.
- 10) The items mentioned in above are to be read in conjunction with Schedule of Rates in Section IV.

11) A full day rate will be considered starting from 7 AM to next 24 hours.

Authorised Person's Signature: _____

Name: _____

Seal of the Bidder:

PROFORMA-C

BID FORM

To:
EXECUTIVE DIRECTOR (KGB & BEP)
OIL INDIA LIMITED,
D.No.11-4-7; 3RD FLOOR
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
Andhra Pradesh, India

Sub: Tender No. _____

Gentlemen,

Having examined the General and Special Conditions of Contract and the 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 (_____) days/months calculated from the date of issue of Letter of Award (LOA).

If our Bid is accepted, we will obtain the guarantee of a bank in a sum not exceeding _____ for the due performance of the Contract.

We agree to abide by this Bid for a period of 180 days from the date fixed for Bid opening and it shall remain binding upon us and may be accepted at any time before the expiration of that period or any extension to bid validity agreed by us.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof in your Letter of Award shall constitute a binding Contract between us.

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

Dated this _____ day of _____ 20...

Name of the Authorized Signatory: _____
Name of the Firm/Service Provider/Bidder: _____

CERTIFICATE OF COMPLIANCE WITH RESPECT TO BRC

We _____(Name of the bidder) hereby confirm that all the conditions given in the Bid Rejection Criteria(BRC) of the Bid document of Tender No. ----- are acceptable to us and we have not made any deviations from the same or put forward any additional condition in our offer in this respect. It is also confirmed that the supporting documents with regard to Eligibility Criteria of the bidder, laid down in the Bid Document are duly submitted in the Envelope 'C' containing the Techno-commercial Bid.

Name of the Authorized Signatory: _____

Name of the Firm/Service Provider/Bidder: _____

To be digitally signed by Bidder's Authorized signatory

PROFORMA-E

STATEMENT OF NON-COMPLIANCE (excepting BRC)
(Only exceptions/deviations to be rendered)

1.0 The Bidder shall furnish detailed statement of **exceptions/deviations excepting BRC**, if any, to the tender stipulations, terms and conditions in respect of each Section of Bid Document in the following format:

Section No.	Clause No. (Page No.)	Non-Compliance	Remarks

2.0 In addition to the above, the Bidder shall furnish detailed information pertaining to construction, operational requirements, velocity-pattern, added technical features, if any and limitations etc. of the Inspection Tool proposed to be deployed.

Name of the Authorized Signatory: _____

Name of the Firm/Service Provider/Bidder: _____

Seal of the Bidder:

NOTE: OIL INDIA LIMITED expects the bidders to fully accept the terms and conditions of the bid document. However, shall the bidders still envisage some exceptions/deviations to the terms and conditions of the bid document, the same shall be indicated as per above format and submit along with their bids. If the **“Statement of Non-Compliance”** in the above Proforma is left blank (or not submitted along with the Techno-commercial bid), then it would be construed that the bidder has not taken any exception/deviation to the tender requirements.

To be digitally signed by Bidder’s Authorized signatory

PROFORMA - F**FORM OF BID SECURITY (BANK GUARANTEE)**

**OIL INDIA LIMITED
KAKINADA-533004,
ANDHRA PRADESH, INDIA**

WHEREAS, (Name of Bidder) _____ (hereinafter called "the Bidder") has submitted their offer Dated _____ for the provision of certain oilfield services (hereinafter called "the Bid") against OIL INDIA LIMITED, Kakinada, AP, India (hereinafter called the Company)'s Tender No.: _____.
KNOW ALL MEN BY these presents that we (Name of Bank) _____ of (Name of Country) _____ having our registered office at _____ (hereinafter called "Bank") are bound unto the 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 said Bank this _____ day of _____ 2016.

THE CONDITIONS of these obligations are:

- (1) If the Bidder withdraws / modifies their Bid during the period of Bid validity specified by the Bidder; or
- (2) If the Bidder, having been notified of acceptance of their Bid by the Company during the period of Bid validity:
 - (a) Fails or refuses to execute the form of Contract in accordance with the Instructions to Bidders; or
 - (b) Fails or refuses to furnish the Performance Security in accordance with the Instructions to Bidders; or
- (3) If the Bidder furnishes fraudulent document/information in their bid.

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

This guarantee shall be irrevocable and shall remain in force up to and including the date (**) and any demand in respect thereof shall reach the Bank not later than the above date.

SIGNATURE AND SEAL OF THE GUARANTORS _____
Name of Bank & Address _____
Date: Place: _____

* The Bidder shall insert the amount of the guarantee in words and figures.

** Date of expiry of Bank Guarantee shall be minimum 30 days after the end of the validity period of the Bid.

PROFORMA - G

FORM OF PERFORMANCE BANK GUARANTEE

**OIL INDIA LIMITED
KAKINADA-533004,
ANDHRA PRADESH, INDIA**

WHEREAS _____ (Name and address of Contractor) (hereinafter called "Contractor") had undertaken, in pursuance of Contract No. _____ 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 as security for compliance with Contractor's obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are Guarantors on behalf of the Contractor, up to a total of (Amount of Guarantee in figures) _____ (in words _____), such amount 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 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 modification of the terms of the Contract or the work to be performed thereunder or of any of the Contract documents which may be made between you and the Contractor shall in any way cease us from any liability under this guarantee, and we hereby waive notice of such change, addition or modification.

This guarantee is valid until the date _____ (calculated at 6 months after Contract completion date).

SIGNATURE AND SEAL OF THE GUARANTORS _____
Designation _____
Name of Bank _____
Address _____

Witness _____
Address _____

Date: _____
Place: _____

PROFORMA-H**CONTRACT FORM**

This Agreement is made on ____ day of _____ between Oil India Limited, a Government of India Enterprise, incorporated under the Companies Act 1956, having its registered office at Duliajan in the State of Assam, hereinafter called the "Company" which expression unless repugnant to the context shall include executors, administrators and assignees on the one part, and M/s. _____ (Name and address of Bidder) hereinafter called the "Bidder" which expression unless repugnant to the context shall include executors, administrators and assignees on the other part,

WHEREAS the Company desires that Services _____ (brief description of services) shall be provided by the Bidder as detailed hereinafter or as Company may requires;

WHEREAS, Bidder engaged themselves in the business of offering such services represents that they have adequate resources and equipment, material etc. in good working order and fully trained personnel capable of efficiently undertaking the operations and is ready, willing and able to carry out the said services for the Company as per Section-II attached herewith for this purpose and

WHEREAS, Company had issued a firm Letter of Award No. _____ dated _____ based on Offer No. _____ dated _____ submitted by the Bidder against Company's Tender No. -----. All these aforesaid documents shall be deemed to form and be read and construed as part of this agreement/contract. However, shall there be any dispute arising out of interpretation of this contract in regard to the terms and conditions with those mentioned in Company's Bid Document and subsequent letters including the Letter of Intent and Bidder's offer and their subsequent letters, the terms and conditions attached hereto shall prevail. Changes, additions or deletions to the terms of the contract shall be authorized solely by an amendment to the contract executed in the same manner as this contract.

NOW WHEREAS, in consideration of the mutual covenants and agreements hereinafter contained, it is hereby agreed as follows –

2. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
3. In addition to documents herein above, the following Sections and Annexures attached herewith shall be deemed to form and be read and construed as part of this agreement viz.:
 - (a) Section-I indicating the General Conditions of this Contract;
 - (b) Section-II indicating the Terms of Reference/Technical Specifications;
 - (c) Section-III indicating the Special Terms & Condition;
 - (d) Section-IV indicating the Schedule of Rates;

4. In consideration of the payments to be made by the Company to the Bidder as hereinafter mentioned, the Bidder hereby covenants with the Company to provide the Services and to remedy defects therein in conformity in all respect with the provisions of this Contract.
5. The Company hereby covenants to pay the Bidder in consideration of the provision of the Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS thereof, each party has executed this contract at ----- as of the date shown above.

Signed, Sealed and Delivered,

For and on behalf of
Company (Oil India Limited)

for and on behalf of Bidder
(M/s. _____)

Name:
Status:
In presence of
1.
2.

Name:
Status:
In presence of
1.
2.

PROFORMA - I

PROFORMA LETTER OF AUTHORITY

TO

**EXECUTIVE DIRECTOR (KGB&BEP)
D.No.11-4-7; 3rd Floor
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
Andhra Pradesh, India**

Sir,

Sub: OIL's Tender No. _____

We _____ confirm that Mr. _____ (Name and address) is authorised to represent us to Bid, negotiate and conclude the agreement on our behalf with you against Tender Invitation No. _____ for hiring of services for _____.

We confirm that we shall be bound by all and whatsoever our said representative shall commit.

Yours Faithfully,

Signature: _____

Name & Designation: _____

For & on behalf of: _____

Note: This letter of authority shall be on printed letter head of the Bidder and shall be signed by a person competent and having the power of attorney (power of attorney shall be annexed) to bind such Bidder. If signed by a consortium, it shall be signed by members of the consortium.

PROFORMA-J

AUTHORISATION FOR ATTENDING BID OPENING

TO

Date: _____

**EXECUTIVE DIRECTOR (KGB&BEP)
OIL INDIA LIMITED,
D.NO.11-4-7; 3RD FLOOR
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
Andhra Pradesh, India**

Sir,

Sub: OIL's Tender No. -----

We authorize Mr. /Mrs. _____ (Name and address) to be present at the time of opening of the above Tender due on _____ on our behalf.

Yours Faithfully,

Authorised Person's Signature: _____

Name: _____

Designation: _____

Seal of the Bidder:

Note: This letter of authority shall be on printed letter head of the Bidder and shall be signed by a person who signs the bid.

Attachment – I

FORMAT OF AGREEMENT BETWEEN BIDDER AND THEIR PARENT COMPANY / 100% SUBSIDIARY COMPANY (As the case may be)

(TO BE EXECUTED ON STAMP PAPER OF REQUISITE VALUE AND NOTORISED)

This agreement made this ____ day of ____ month ____ year by and between M/s. _____ (Fill in the Bidder's full name, constitution and registered office address) hereinafter referred to as bidder on the first part and M/s. _____ (Fill in full name, constitution and registered office address of Parent Company/Subsidiary Company, as the case may be) hereinafter referred to as "Parent Company/ Subsidiary Company (Delete whichever not applicable)" of the other part:

WHEREAS

M/s. Oil India Limited (hereinafter referred to as OIL) has invited offers vide their tender No. _____ for _____ and

M/s. _____ (Bidder) intends to bid against the said tender and desires to have technical support of M/s. _____ [Parent Company/ Subsidiary Company-(Delete whichever not applicable)] and whereas Parent Company/ Subsidiary Company (Delete whichever not applicable) represents that they have gone through and understood the requirements of subject tender and are capable and committed to provide the services as required by the bidder for successful execution of the contract, if awarded to the bidder.

Now, it is hereby agreed to by and between the parties as follows:

1. M/s. _____ (Bidder) will submit an offer to OIL for the full scope of work as envisaged in the tender document as a main bidder and liaise with OIL directly for any clarifications etc. in this context.
2. M/s. _____ (Parent Company/ Subsidiary Company (Delete whichever not applicable)) undertakes to provide technical support and expertise, expert manpower and procurement assistance and project management to support the bidder to discharge its obligations as per the Scope of work of the tender / Contract for which offer has been made by the Parent Company/Subsidiary Company (Delete whichever not applicable) and accepted by the bidder.
3. This agreement will remain valid till validity of bidder's offer to OIL including extension if any and till satisfactory performance of the contract in the event the contract is awarded by OIL to the bidder.
4. It is further agreed that for the performance of work during contract period bidder and Parent Company/Subsidiary Company (Delete whichever not applicable) shall be jointly and severally responsible to OIL for satisfactory execution of the contract.
5. However, the bidder shall have the overall responsibility of satisfactory execution of the contract awarded by OIL.

In witness whereof the parties hereto have executed this agreement on the date mentioned above.

For and on behalf of
(Bidder)

M/s.
Witness:
1)
2)

For and on behalf of
(Parent Company/Subsidiary Company
(Delete whichever not applicable)

M/s.
Witness:
1)
2)

Attachment – II

PARENT COMPANY/ SUBSIDIARY COMPANY GUARANTEE (Delete whichever not applicable)

(TO BE EXECUTED ON STAMP PAPER OF REQUISITE VALUE AND NOTORISED)

DEED OF GUARANTEE

THIS DEED OF GUARANTEE executed at this day of by M/s (mention complete name) a company duly organized and existing under the laws of (insert jurisdiction/country), having its Registered Office at hereinafter called “the Guarantor” which expression shall, unless excluded by or 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 in the State of Assam, India, and having an office, amongst others, at Kakinada, Andhra Pradesh, India hereinafter called “OIL” which expression shall unless excluded by or repugnant to the context thereof, be deemed to include its successor and assigns, invited tender number for on

M/s (mention complete name), a company duly organized and existing under the laws of (insert jurisdiction/country), having its Registered Office at (give complete address) hereinafter called “the Company” which expression shall, unless excluded by or repugnant to the subject or context thereof, be deemed to include its successor and permitted assigns, have, in response to the above mentioned tender invited by OIL, submitted their bid number to OIL with one of the condition that the Company shall arrange a guarantee from its parent company guaranteeing due and satisfactory performance of the work covered under the said tender including any change therein as may be deemed appropriate by OIL 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 and such other supports as may be required by the Company for successful execution of the same.

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

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

1. The Guarantor (Parent Company / **100% Subsidiary Company (Delete whichever not applicable)**) unconditionally agrees that in case of non-performance by the Company of any of its obligations in any respect, the Guarantor shall, immediately on receipt of notice of demand by OIL, take up

the job without any demur or objection, in continuation and without loss of time and without any cost to OIL and duly perform the obligations of the Company to the satisfaction of OIL.

2. The Guarantor agrees that the Guarantee herein contained shall remain valid and enforceable till the satisfactory execution and completion of the work (including discharge of the warranty obligations) awarded to the Company.
3. The Guarantor shall be jointly with the Company as also severally responsible for satisfactory performance of the contract entered between the Company and OIL.
4. The liability of the Guarantor, under the Guarantee, is limited to the 50% of the annualized contract price entered between the Company and OIL. This will, however, be in addition to the forfeiture of the Performance Guarantee furnished by the Company.
5. The Guarantor represents that this 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 governmental 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. 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. The Guarantor hereby declares and represents that this Guarantee has been given without any undue influence or coercion, and that the Guarantor has fully understood the implications of the same.
8. 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 laws.

For & on behalf of (Parent
Company/Subsidiary Company (Delete whichever not applicable))

M/s _____

Witness:

1. Signature _____
Full Name _____
Address _____

Signature _____
Name _____
Designation _____

Common seal of the
Company_____

Witness:

2. Signature _____

Full Name _____
Address _____

**INSTRUCTIONS FOR FURNISHING PARENT/SUBSIDIARY COMPANY
GUARANTEE**

1. Guarantee should be executed on stamp paper of requisite value and notarised.
2. The official(s) executing the guarantee should affix full signature (s) on each page.
3. Resolution passed by Board of Directors of the guarantor company authorizing the signatory (ies) to execute the guarantee, duly certified by the Company Secretary should be furnished alongwith the Guarantee.
4. Following certificate issued by Company Secretary of the guarantor company should also be enclosed alongwith the Guarantee.
“Obligation contained in the deed of guarantee No. _____ furnished against tender No. _____ are enforceable against the guarantor company and the same do not, in any way, contravene any law of the country of which the guarantor company is the subject”

Attachment – III

**FORMAT OF AGREEMENT BETWEEN BIDDER THEIR SISTER
SUBSIDIARY/CO-SUBSIDIARY COMPANY AND THE ULTIMATE
PARENT/HOLDING COMPANY OF BOTH THE BIDDER AND THE SISTER
SUBSIDIARY/CO-SUBSIDIARY** (Strike out whichever is not applicable between
Ultimate Parent and Holding Company. Similarly strike out whichever is not
applicable between Sister Subsidiary and Co-subsidiary Company)

**(TO BE EXECUTED ON STAMP PAPER OF REQUISITE VALUE AND
NOTORISED)**

This agreement made this ____ day of ____ month ____ year by and between M/s.
_____ (Fill in Bidder's full name, constitution and registered office
address) _____ hereinafter referred to as "Bidder" of the first part and

M/s. _____ (Fill in full name, constitution and registered office address of
Sister Subsidiary/Co-subsidiary Company of the Bidder) herein after referred to as
"Sister Subsidiary/ Co-subsidiary" of the second part and

M/s. _____ (Fill in the full name, constitution and registered office address of
the Ultimate Parent/Holding Company's of both the subsidiaries) hereinafter
referred to as "Ultimate Parent/ Holding Company" of the third part.

WHEREAS

M/s. Oil India Limited (hereinafter referred to as OIL) has invited offers vide their
tender No. _____ for _____ and

M/s. _____ (Bidder) intends to bid against the said tender and desires to have
a technical support of M/s. _____ (Sister Subsidiary/Co-subsidiary Company)
and

Sister Subsidiary/Co-subsidiary Company represents that they have gone through
and understood the requirements of subject tender and are capable and committed
to provide the services as required by the bidder for successful execution of the
contract, if awarded to the bidder.

Now, it is hereby agreed to by and between all the three parties as follows:

1. M/s. _____ (Bidder) will submit an offer to OIL for the full scope of work as envisaged in the tender document.
2. M/s. _____ (Sister Subsidiary/Co-subsidiary Company) undertakes to provide technical support and expertise and expert manpower, material, if any, to support the bidder to discharge its obligations as per the Scope of work of the tender / Contract for which offer has been made by the bidder.
3. This agreement will remain valid till validity of bidder's offer to OIL including extension if any and also till satisfactory performance of the contract in the event the bid is accepted and contract is awarded by OIL to the bidder.
4. Sister Subsidiary/ Co-subsidiary Company unconditionally agrees that in case of award of contract to the Bidder, if the Bidder is unable to execute the contract, they shall, immediately on receipt of notice by OIL, take up the job without any demur or objection, in continuation without loss of time and

without any extra cost to OIL and duly perform the obligations of the Bidder/Contractor to the satisfaction of OIL.

5. The Ultimate Parent/Holding Company also confirms and undertakes that the commitment made by the Sister Subsidiary/ Co-subsidiary company in providing the technical support and technical expertise and expert manpower to support the bidder for execution of the contract are honoured.
6. The Ultimate Parent/Holding Company also takes full responsibility in getting the contract executed through the Sister subsidiary/ Co-subsidiary company in case the Bidder/Contractor is unable to execute the contract.
7. In witness whereof the parties hereto have executed this agreement on the date mentioned above.

For and on behalf of
(Bidder)

M/s.
Witness

- 1)
- 2)

For and on behalf of
(Sister Subsidiary / Co-
subsidiary)

M/s.
Witness

- 1)
- 2)

For and on behalf of
(Ultimate Parent /
Holding Company)

M/s.
Witness

- 1)
- 2)

Note: In case of contracts involving - (a) manufacture/supply (b) installation and commissioning (c) servicing and maintenance of any equipment, as the bidding company can draw on the experience of their multiple subsidiary sister/Co-subsidiary company (ies) specializing in each sphere of activity, i.e. (a) manufacture/supply (b) installation and commissioning (c) servicing and maintenance, therefore, in that case, the above format shall be signed by all the sister/Co-subsidiary company(ies) and necessary modifications may be made in the above format to include all sister subsidiaries.

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