

**OIL INDIA LIMITED**  
**(A Govt. of India Enterprise)**  
**CONTRACTS DEPARTMENT**  
**P.O. Duliajan-786 602(Assam)**

**INVITATION FOR EXPRESSION OF INTEREST (EOI)**  
**EOI NO.: OIL/CHEM/GLOBAL/EOI/01/2017**  
**FOR**  
**MUD ENGINEERING SERVICES**

**Sub: Hiring Mud Engineering Services including supply of complete line of drilling fluid and completion fluid chemicals for drilling three (03) exploratory wells of depth range 2500m to around 5000m in mountainous terrain of Mizoram State for a period of two years with a provision of extension by one year.**

**PREAMBLE:**

**OIL INDIA LTD (OIL)**, a premier public sector undertaking of Govt. of India engaged in exploration, production & transportation of hydrocarbons invites EOI from reputed and established E & P service providers meeting the pre-qualification criteria as mentioned below for empanelment /short listing of contractors for issue of tender documents for providing complete Mud Engineering Services including deployment of requisite manpower, equipment and supply of mud chemicals for drilling of three (03) exploratory wells of depth range 2500m to around 5000m in the NELP block: MZ-ONN-2004/1 in the state of Mizoram. The period of this contract will be for two years with a provision of extension by one year with same terms and conditions.

**1.0 PROJECT INFORMATION:**

As per committed Minimum Work Programme (MWP) for the NELP-VI Block (MZ-ONN-2004/1) Oil India Ltd. (OIL), being the Operator has to drill exploratory wells within stipulated time frame. So far, Oil India Ltd. (OIL) has drilled two wells in the block. However, for completion of remaining wells, Company has planned to hire mud engineering services initially for a period of two years or completion of three wells, whichever is earlier, with a provision for further extension by one more year or part thereof on same rates, terms & conditions at the option of Company.

Mizoram has the most variegated hilly terrain in the eastern part of India with 21 hill ranges of different altitudes (maximum altitude of around 1800m and in general 900 m to 1200 m) with succession of long valleys running mostly from North to South covering the entire state. The hills are very steep and rugged with intervening deep gorges. Two major roads namely NH-54 and State Highway funded by World Bank run almost parallel to each other in North-Southern direction through the centre of the state as well as OIL's NELP block. Both the roads emanate from Aizawl and converge at Lunglei, the second largest town in Mizoram after Aizawl. These two highways will serve as the major feeders for any drilling locations within the NELP block. The roads are in hilly terrain full of sharp curves with steep gradient. The other connecting roads are narrow having sharp horizontal curves with steep gradient in many places.

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

## **2.0 GEOLOGY OF THE AREA:**

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

## **3.0 LOCATION OF THE AREA**

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

### Coordinates of Block MZ-ONN-2004/1

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

#### **4.0 BRIEF SCOPE OF WORK**

The Vendor/Contractor/Service Provider shall be required to provide mud service in totality. The scope of work includes but not limited to.

- Designing and formulation of **K<sub>2</sub>SO<sub>4</sub>-Glycol-Polymer** mud system.
- Mud engineering services.
- Supply of complete line of mud and completion chemicals
- Drilled solids management of drilling fluid.

Additionally, the supply of chemicals (including its procurement and transportation etc.) to the drilling locations and carrying out laboratory analysis therein, will be the responsibility of the vendor. Because of difficult logistics, transportation has to be done in such a way that single consignment should not be more than 35 MT including the weight of the carrier. However, the vendor may decide about the length of the carrier.

#### **5.0 SAFETY, HEALTH AND ENVIRONMENT :**

5.1 The Vendor/Contractor/Service Provider shall have to comply with the applicable and prevailing provisions of Mines Act, 1952, OISD (Oil Industry Safety Directorate) guidelines and MoE&F (Ministry of Environment and Forest) directives.

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

#### **6.0 MANPOWER :**

6.1 Vendor/Contractor/Service Provider shall provide two (02) on-site mud engineers on 12-Hour shift basis at all times during the contract period. OIL may provide one experienced Mud Chemist stationed at site during all phases of operations. Mud Engineer should be fluent in English (written & verbal). Besides English, fluency in Hindi and any other local language will be an added advantage.

**6.2** The Mud Engineer should have minimum educational qualification of Bachelor degree in Engineering / Science or equivalent. The Mud Engineer should have minimum five (05) years relevant experience, out of which at least three (03) years in handling the proposed (**K<sub>2</sub>SO<sub>4</sub>-Glycol-Polymer**) mud system independently in exploratory wells of more than 3500m depth.

## **7.0 PRE-QUALIFYING CRITERIA :**

### **A) TECHNICAL**

The Vendor/Contractor/ Service Provider/bidder must fulfil the following minimum pre-qualifying criteria for empanelment/ short-listing for issue of tender documents for hiring of Mud Engineering Services together with supply of mud chemicals.

7.A.1 Experience of providing at least one complete Mud Engineering Services including deployment of requisite manpower, equipment and supply of mud chemicals to E&P Company or its service providers for drilling wells in previous 07 ( seven years) to be reckoned from the EOI publication date having **contract value equal or more than US\$ 24,21,875.00 in such contract.**

7.A.2 Vendor should have provided Mud Engineering Services for minimum five (5) numbers of exploratory wells of which at least three (3) numbers of wells must be of more than 3500m depth each drilled with **K<sub>2</sub>SO<sub>4</sub>-Glycol-Polymer** mud system in the past seven(7) years preceding from the EOI publication date. **The vendor is required to submit documentary evidence of such wells.**

7. A.3 Vendor/Contractor/ Service Provider shall provide two (02) on-site mud engineers on 12-Hour shift basis at all times. The Mud Engineer should have minimum educational qualification of Bachelor degree in Engineering / Science or equivalent. The Mud Engineer should have minimum five (05) years relevant experience, out of which at least three (03) years in handling the proposed (**K<sub>2</sub>SO<sub>4</sub>-Glycol-Polymer**) mud system independently in exploratory wells of more than **3500m** depth.

7.A.4 The Vendor/Contractor/ Service Provider should be in a position to complete mobilization of their resources at site to take up the assignment in the event of a contract within ninety days (90) days from the date of issue of short Notice(Letter of Award) by Company. Vendor/Contractor/ Service Provider **is required to submit a declaration in this regard.**

### **B) FINANCIAL:**

7. B.1 The Vendor/Contractor/Service Provider shall have an **Annual financial turnover** of minimum **US\$ 12,10,937.00 (or equivalent INR 7,80,32,780.28)** during any of the preceding 03 (three) financial/accounting years reckoned from the original EOI publication date.

7. B.2 **Net worth** of Vendor/Contractor/ Service Provider/bidder must be positive for preceding financial / accounting year.

7. B.3 Considering the time required for preparation of Financial Statements, if the last date of preceding financial / accounting year falls within the preceding six months reckoned from the original bid closing date and the Financial Statements of the preceding financial / accounting year are not available with the bidder, then the financial turnover of the previous three financial/accounting years excluding the preceding financial / accounting year will be considered. In such cases, the Net worth of the previous financial / accounting year excluding the preceding financial / accounting year will be considered. However, the bidder has to submit an affidavit/undertaking certifying that 'the balance sheet/Financial Statements for the financial year ..... has actually not been audited so far'.

**NOTE:**

(a) For proof of Annual Turnover & Net worth any one of the following documents must be submitted along with the EOI:

i) A certificate issued by a practicing Chartered /Cost Accountant (with Membership Number and Firm Registration Number), certifying the Annual turnover & Net worth as per format prescribed in **ANNEXURE-II**.

**OR**

ii) Audited Balance Sheet along with Profit & Loss account. In case of foreign Vendor/Contractor/Service Provider, self-attested/digitally signed printed published accounts are also acceptable.

In case the Audited Balance Sheet and Profit Loss Account submitted along with the EOI are in currencies other than INR or US\$, the Vendors/Contractors/Service Providers shall have to convert the figures in equivalent INR or US\$ considering the prevailing conversion rate on the date on which the Audited Balance Sheet and Profit & Loss Account is signed. A CA Certificate is to be submitted by the Vendor/Contractor/ Service Provider/bidder regarding converted figures in equivalent INR or US\$.

**C) OTHERS:**

7. C.1 In case the Vendor/Contractor/ Service Provider is a Consortium of Companies, the Leader of the Consortium should satisfy the minimum requirements as per para 7.A.1, 7.A.2, 7.A.3 & 7.A.4 above.

(a) However, at least any one of the consortium members individually shall have to meet the Annual financial turnover criteria mentioned in Clause No. 7.B.1, 7.B.2 & 7.B.3, above. The other members of Consortium should meet minimum 25% of Annual turnover each of the Clause Nos. 7.B.1, 7.B.2 & 7.B.3, above.

(b) Consortium EOI(s) shall be submitted with a Memorandum of Understanding (MOU) between the consortium members duly signed by the authorized Executives of the consortium members clearly defining the role/scope of work of each partner/member, binding the members jointly and severally to the responsibility for discharging all obligations under the contract and identifying the Leader of Consortium. Unconditional acceptance of full responsibility for brief 'Scope of Work' by the Leader of the Consortium shall be submitted with the EOI.

7.C.2 In case the Vendor/Contractor/ Service Provider is an Indian Company / India joint venture Company, the lead bidder should meet the criteria laid down in para 7.A.1, 7.A.2, 7.A.3, 7.A.4, 7.B.1 and 7.B.2. Also, the Indian Company/Indian Joint Venture Company who does not meet the minimum pre-qualifying criteria as per clause No. 7.A.1, 7.A.2, 7.A.3 & 7.A.4 may also submit the EOI on the strength of Technical Collaborator/Joint Venture Partner. However, the Primary Vendor/Contractor/ Service Provider shall have to meet the financial criteria mentioned in Clause Nos. 7.B.1 and 7.B.2, above.

(a) The Technical Collaborator/Joint Venture Partner at its own shall meet the experience criteria as in clause No. 7.A.1, 7.A.2, 7.A.3 & 7.A.4, above. The experience of the Technical Collaborator /Joint Venture with other firm(s) will not be qualified.

(b) Indian Vendor/Contractor/Service Provider quoting based on technical collaboration/ joint venture, shall submit a Memorandum of Understanding (MOU)/Agreement with their technical collaborator/ joint venture partner clearly indicating their roles under the scope of work which shall be addressed to OIL and shall remain valid and binding.

7. C.3 Any party who is extending technical support by way of entering into technical collaboration with another party shall not be allowed to submit an independent bid and such bids shall be rejected straightway. Further, all bids from parties with technical support from same principal will also be rejected.

7.C.4 EOI from Vendor/Contractor/ Service Provider, who themselves do not meet the experience criteria as stipulated in the para 7.A.1, 7.A.2 ,7.A.3, 7.A.4,7.B.1 and 7.B.2 above can also be considered, provided the Bidder/ Vendor/Contractor/Service Provider is a 100% subsidiary company of the parent company which meets aforesaid experience criteria. In such cases, as the subsidiary company is dependent on the experience of parent company, the participating Vendor/Contractor/Service Provider should submit an agreement / Corporate Guarantee as per **Annexure-IV**. However, the parent/subsidiary company of the Vendor/Contractor/Service Provider should on its own meet the experience criteria as stipulated in the Pre-Qualifying Criteria and should not rely for meeting the experience criteria on its sister subsidiary / co-sub subsidiary company or through any other arrangement like Technical Collaboration agreement.

## **8.0 INFORMATION & DOCUMENTS:**

8.1 Vendors must furnish the following in support of fulfilling all the above pre-qualifying criteria:

- (a) Rendering Mud Engineering Service experience of vendor – Statement to be furnished by vendor in a tabular form alongwith copies of contracts / work orders and completion certificates / payment certificates issued by the clients, as per format in **Annexure-I**.
- (b) Financial turnover of vendor – Audited balance sheets / profit and loss accounts etc. as per format in **Annexure-II**.

- (c) MOU or legally acceptable documents in support of tie-up arrangements, if any in support of points stipulated in para 7.C.1, 7.C.2, 7.C.3 and 7.C.4
- (d) Bio-data of Mud Engineers as per **Annexure-III**. An undertaking to deploy requisite Mud Engineers meeting OIL's requirement is to be submitted along with the EOI.

8.2 All documents submitted with the EOI must be self certified by the vendor's authorized person and duly **notorised**. However, OIL reserves the right to verify the original documents.

**Notes:**

- (i) All the copies of document submitted alongwith the EOI should be clear and legible.
- (ii) OIL INDIA LIMITED (OIL) reserves the right to physically check the original documents/certificates, copies of which are submitted along with the EOI.
- (iii) The EOI is liable to be ignored in case of submission of any misleading/false representation by the vendor in the form of statements and attachments.
- (iv) OIL INDIA LIMITED reserves the right to ignore any or all EOIs without assigning any reason thereof.
- (v) OIL INDIA LIMITED reserves the right to curtail/enhance the scope of work stated above or cancel, if required, without assigning any reason thereof.

**9.0 SUBMISSION OF EOI:**

Interested Parties/ Vendors/Contractors/Service Providers having relevant experience and expertise (details are available at OIL's website-[www.oil-india.com](http://www.oil-india.com)) are invited to submit their EOI(s) at our e-mail id: [eoicontracts@oilindia.in](mailto:eoicontracts@oilindia.in) within **04<sup>th</sup> October'2017**, followed by hard copies of the same in sealed envelopes super-scribing "EOI for Hiring Complete Mud Engineering Services for NELP Block in Mizoram" through courier/post at following address:

**GM (CONTRACTS)  
OIL INDIA LIMITED  
CONTRACTS DEPARTMENT  
DULIAJAN-786602, ASSAM, INDIA**

Phone: 91-374-2800548, Fax: 91-074-2803549,  
Email: [contracts@oilindia.in](mailto:contracts@oilindia.in) Website: [www.oil-india.com](http://www.oil-india.com)

Vendor/Contractor/ Service Provider may also upload their offer in their FTP server/File sharing website (portal) and the link(s) may be provided to us at our e-mail within above specified period.

10.0 Oil India Limited reserves the right to (a) either accept or reject any / all EOI(s) (b) cancel the process, without assigning any reason whatsoever.

**EXPERIENCE STATEMENT OF VENDOR**

**Mud Engineering Services**

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

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



**CERTIFICATE OF ANNUAL TURNOVER & NET WORTH**

TO BE ISSUED BY PRACTISING **CHARTERED ACCOUNTANTS' FIRM** ON THEIR LETTER HEAD

**TO WHOM IT MAY CONCERN**

This is to certify that the following financial positions extracted from the audited financial statements of M/s..... (Name of the Bidder/ Vendors/Contractors/Service Providers) for the last three (3) completed accounting years upto .....**(as the case may be)** are correct.

<b>YEAR</b>	<b>TURN OVER</b> In INR (Rs.) Crores / US \$ Million)	<b>NET WORTH</b> In INR (Rs.) Crores / US \$ Million)

\*Rate of Conversion (if used any): USD 1.00 = INR.....

Place:

Date:

Seal:

Membership No. :

Registration Code:

Signature

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**Annexure-III.**

Designation:

Name:

Nationality:

Educational Qualification:

Sl. No.	Course completed	Passed out School/ College/ University	Year of Passing	Division/ Rank
01.				
02.				
03.				
04.				
05.				

N.B: Please add more rows if necessary.

Experience of the Personnel (Separate sheet for each Mud Engineer)

Sl. No.	Client Name	Well Name	Well Depth (in meters)	Type of Mud System	Duration of Service (from-to)	Designation
01.						
02.						
03.						
04.						
05.						

N.B: If required, more rows may be added. Also specify other experience of the personnel relating to OIL/ other organization/ companies, if any.

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

THIS DEED OF GUARANTEE executed at..... this..... day of 2017 by M/s..... (Mention complete name) a company duly organized and existing under the laws of ..... (insert jurisdiction/country), having in Registered Office at..... herein after called “the Guarantor” which expression shall, unless **excluded** by the repugnant to the subject or context thereof, be deemed to include its successors and permitted assigns.

WHEREAS;

M/s Oil India Limited, a company duly registered under the companies Act 1956, having its Registered Office at **Duliajan, Dist: Dibrugarh, Assam-786602, India** and having Corporate Office at **Plot No. 19, Sector-16A, Noida, UP** hereinafter called “**Company**” which expression shall **unless** excluded by or repugnant to the context thereof, be deemed to include its successor and assigns, invited Expression of Interest on ..... vide OIL/\_\_\_\_\_/GLOBAL/EOI/\_\_\_\_\_/2017 for hiring Mud Engineering Services including supply of complete line of drilling fluid and completion fluid chemicals.

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

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

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

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

The Guarantor (Parent Company) unconditionally agrees that in case of non-performance by the Contractor of any of its obligations in any respect, the Guarantor shall, immediately on receipt of notice of demand by the Company, take-up the job without any demur or obligation, in continuation and without

loss of time and without any cost to the Company and duly perform the obligations of the Contractor to the satisfaction of the Company. In case the guarantor also fails to discharge its obligations herein and complete the job satisfactorily, Company shall have absolute rights for effecting the execution of the job from any other person at the risks and costs of the Guarantor.

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

1. The Guarantor agrees that the Guarantee herein contain shall remain valid and enforceable till the satisfactory execution and completion of the work (including discharge of the warranty obligations) awarded to the Contractor.
2. The Guarantor shall be jointly with the Contractor as also severally responsible for satisfactory performance of the contract entered between the Contractor and the Company.
3. The liability of the Guarantor, under this Guarantee, is limited to the value of the contract entered between the Contractor and the Company i.e. upto and in no event shall be Guarantor's liability hereunder, either in its capacity of Guarantor or as a Contractor should it perform the contract in the event of the Contractor's non-performance as per point 1 hereinabove, exceed that of the Contractor under the mutually agreed contract awarded to the Contractor. This will, however, be in addition to the forfeiture of the Performances Guarantees furnished by the Contractor.
4. The Guarantor represents that the Guarantee has been issued after due observance of the appropriate laws in force in India. The Guarantor hereby undertakes that the Guarantor shall obtain and maintain in full force and effect all the government and other approvals and consents that are necessary and do all other acts and things necessary or desirable in connection therewith or for the due performance of the Guarantor's obligations hereunder.
5. 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**.
6. The Guarantor hereby declares and represents that this Guarantee has been given without any undue influence or coercion from any person and that the Guarantor has fully understood the implications of the same.
7. The Guarantor represents and confirms that the guarantor has the legal capacity, power and authority to issue this Guarantee and that giving of this Guarantee and the performance and observations of the obligations hereunder do not contravene any existing law or any judgment.

For & on behalf on (Parent Company)

M/s \_\_\_\_\_

Witness:

1.

2.

\*strikeout, if not applicable

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