

OIL INDIA LIMITED
DULIAJAN

EXPRESSION OF INTEREST
(EOI) NO. EOI/INDIGENOUS/O/1/2020-21

FROM

PROSPECTIVE IN-COUNTRY NATURAL GAS CONSUMERS FOR OUTRIGHT
PURCHASE OF NATURAL GAS ON AS-IS-WHERE-IS BASIS FROM OIL'S
KUMCHAI FIELD LOCATED IN THE STATE OF ARUNACHAL PRADESH AND
FALL BACK GAS FROM IN AND AROUND DULIAJAN LOCATED IN DIBRUGARH
& TINSUKIA DISTRICT OF ASSAM

1.0 PREAMBLE:

OIL INDIA LIMITED (OIL), a Government of India Enterprise under the Ministry of Petroleum and Natural Gas, is a premier up-stream Oil Company engaged in the business of Exploration, Production & Transportation of Crude Oil & Natural Gas as well as production of LPG, having its Headquarter at Duliajan, Assam in India. Its operations are largely based in the north-eastern parts of India particularly in Assam and Arunachal Pradesh, but have also extended its activities in different parts of India and abroad. Duliajan has railway and air connectivity with the nearest airport at Dibrugarh, 50 km away.

2.0 OBJECTIVE:

Oil India Limited (OIL), intends to sell Natural Gas being produced @ 130,000 SCM-150,000 SCMD for at least 3 years from the date of finalization of the contract from its Kumchai Field, Changlang district in the state of Arunachal Pradesh with immediate effect on as-is-where-is basis. The field is situated 350 km by road distance from Capital city, Itanagar (100 km from Tinsukia, Assam by road). After expiry of 3 years, gas supply may be continued from other Fields in Dibrugarh / Tinsukia District in the state of Assam.

Gas is also available on fall back basis in and around Duliajan at Dibrugarh & Tinsukia district in the state of Assam.

3.0 BACKGROUND:

OIL is presently producing Natural gas @ 130,000 – 150,000 SCMD from Kumchai field in Arunachal Pradesh which is being flared because of non-availability of local consumers as well as pipe line connectivity with its centralised gas collecting / distribution network in upper Assam. A pipe line has been planned from Kumchai to Kushijan for transportation of Kumchai gas to the main distribution network of OIL. Commissioning of the pipeline is expected by the year 2022-23. Therefore, to monetize the gas being flared in Kumchai till commissioning of the new pipe line, in-country vendors/consumers for utilization of the gas is sought for.

OIL is also having fall back gas in and around Duliajan under Dibrugarh & Tinsukia district in the state of Assam during Tea garden lean season (i.e. January to March of every year) as well as due to less withdrawal by OIL's existing Vendors. The details of "Fall back gas" scenario and quantity will be discussed in Pre-Tender meeting.

For the above purposes we intent to invite expression of interest from reputed and established vendors/ firms/ agencies for buying gas at OIL's battery limit at Kumchai EPS and from in and around Duliajan on fall back basis for their end use. Preference will be given as per the guidelines of the Government of India for selection of Vendors.

4.0 LOCATION OF THE AREA

Kumchai is located in Ningru Mining Lease Area in Changlang District in the state of Arunachal Pradesh at a latitude of 96°02'55" and a longitude of 27°33'46".

Duliajan is located at 45 km from Dibrugarh airport in the state of Assam.

5.0 BROAD SCOPE OF WORK:

At present, Oil India Limited (OIL) has an Early Production Setup (EPS) in Kumchai which produces around 90 KLPD of crude oil and 1,30,000 to 1,40,000 SCMD of Natural Gas. Out of this, around 1,30,000 SCMD natural gas is available for sale at a pressure of 10.0 – 12.0 kg/cm². Present Net Calorific Value (NCV) of the available gas is about 10,000 Kcal / SCM. This gas will be handed over to the buyer at the battery limit of the installation. The average composition of the Kumchai gas stream is as under:

Components	Composition % (v/v)
Methane	84.60
Ethane	7.24
Propane	3.37
i-Butane	1.15
n-Butane	1.50
i-Pentane	0.60
n-Pentane	0.41
Hexane+	0.77
Nitrogen	0.16
Carbon dioxide	0.20
Oxygen	0.00
Density (kg/cm ³)	0.8615
Gas gravity	0.7030
Gross calorific value(Kcal/SCM)	11012
Net calorific value(Kcal/SCM)	9980

Note: However, the net calorific value of the available fall-back gas in and around Duliajan will be around 8000 to 8500 kcal / SCM.

Custody Transfer will be through Custody Transfer Meter which will be installed inside the OIL's premises. In case of requirement of high gas pressure, compression facility as well as necessary piping will have to be installed, owned & operated by the party itself.

The successful vendor shall have to start drawal of gas within maximum 6 (six) months from the date of signing of formal agreement, initially for a period of 3 (three) years and extendable by another one year based on gas availability.

Interested parties will have to indicate clearly the details of utilisation purpose of the gas to be purchased from OIL.

6.0 GAS MEASUREMENT SYSTEM:

I. Unit of Measurement:

- a) The unit of volume measurement of Gas will be Standard Cubic Metre (SCM).
- b) The unit of net calorific value measurement will be Kcal/SCM (Kilo Calorie per Standard Cubic Metre). However, the unit of Calorific Value for Invoicing will be MMBTU (Million British Thermal Unit). The conversion factor from Kcal to BTU is 3.968254.

II. Price of Gas:

- a) The Basic Price for the gas supplied will be on Gross Calorific Value (GCV) basis as per the Government of India pricing policy and directives.
- b) In addition to the basic price, the Buyer will have to pay the following—
 - i. Value Added Tax as applicable from time to time.
 - ii. GST and or any other taxes, levies or duties that may be imposed on sale of natural gas from time to time.
 - iii. Any other charges levied by the government from time to time.

7.0 OIL'S OBLIGATION(S):

- a) OIL's obligation will be to supply specified minimum quantity of gas and at the specified minimum pressure, as per the agreement, to the buyer from a specified point.
- b) OIL will install and maintain necessary custody transfer meter as per industry standard for measurement of gas sold to the Vendor. However, the Vendor may install check meter on their own. The check meter may be allowed to be installed inside OIL's installation, near the custody transfer meter.

8.0 VENDOR'S OBLIGATION(S):

- a) Vendor will have to make his own arrangement for transportation of gas from OIL's custody transfer point to its own installation.
- b) Vendor will have to arrange for land for establishment of his installation on his own.

- c) Vendor will have to indicate gas withdrawal pattern to OIL at the beginning of the calendar year including the annual maintenance shut down period.
- d) Vendor will have to take any required approval for his facilities from government and other statutory authorities on his own.
- e) Vendor will have to ensure and warrant that the drawn gas shall be used for the purpose for which it is supplied.

9.0 GAS SALE AGREEMENT:

‘Gas Sale Agreement / contract’ will be signed between OIL & the successful vendor after awarding of the contract.

- A. Preference will be given as per the guidelines of the Govt. of India for selection of vendors based on their end use. Presently priorities of Vendor is as under;
 - i. Gas Based Urea Fertilizer Plants.
 - ii. LPG Plants.
 - iii. Power Plants supplying power to the grid, state utilities at regulated rates under PPA.
 - iv. CGD systems for domestic and transport sectors.
 - v. Steel / Refineries / Petrochemicals for feedstock purposes.
 - vi. CGD for Industrial and Commercial consumers.
 - vii. Any other Vendor for captive and merchant power, feedstock or fuel purpose.

10.0 QUALIFICATION CRITERIA OF THE APPLICANT(S):

- A. Minimum one of the following:
 - a. The Party should be a Manufacturer/ Operator/ Owner of Natural Gas based Process Plants / Natural gas Based Power plants/ LPG Plants / CGD systems / CNG system and must have the experience of setting up / operation of minimum 1 (one) no. natural gas based project as above in India.
 - b. The party should have the experience of providing consultancy services for implementation of Natural Gas based process / power plants and have a back to back tie up with the Manufacturer/Operator, who is having the qualification mentioned under (a) above.
 - c. The party should be a Solution/Service provider who has the experience of undertaking and completing minimum 01 (one) no. natural gas based process/ power project successfully in India.
 - d. The party should be a transporter of natural gas having a back to back tie up with the end user as specified above para 9.0 & 10.0. The transporter should have experience of undertaking and completing minimum 01 (one) no. of gas transportation project successfully in India.
 - e. The party who does not possess the above experience as indicated for carrying out all functions independently, but have the experience in any one

or more such functions in matters of natural gas based process plant activities, providing services for E&P activities (supply & operation of drilling rig, work over rig, coil tubing operation, etc. may also show interest on the strength of collaboration to cover the shortfall of relevant experience as mentioned above. The kind of collaborations shall be through a pretender bi-partite agreement or MoU between the primary interested party and collaborator well documented.

Note: 1. Documentary evidence for above needs to be enclosed along with the letter of interest from the parties.

2. The parties applying under above clause should show their financial credibility by submitting their annual turnover for last three years.

11.0 HSE AND STATUTORY OBLIGATIONS:

All the applicable Health, Safety and Environmental Rules, Government of India Regulations, Stipulations and Provisions will be abided by the party to which gas from Kumchai Field is supplied.

12.0 The bid submitted against the EOI should indicate the quantity of gas required and date of commencement of off take.

13.0 Allocation will start from applicants highest in the priority as per Government of India Guidelines as mentioned in Para 10.0 A. above. Further, only if the full gas demands of all applicants in the preceding sectors are met, will the succeeding priority sector be taken up for allocation in that sector.

14.0 Time is the essence of this EOI. Necessary weightage for early withdrawal of the natural gas will be considered for selection of the vendor as per defined priority sector in para 10.0 A above. The details of the weightage procedure will be firmed up after Pre-Tender Meeting with the interested parties.

15.0 SUBMISSION OF EOI:

15.1 Interested vendors meeting the pre-qualification criteria as above are invited to submit their EOI(s) at e-mail id: eoicontracts@oilindia.in or nabajyoti_rabha@oilindia.in within **08-05-2020 up to 15:00 Hrs (IST)**, followed by 01 (one) set of hard copy of the same through courier/post super-scribing **“EXPRESSION OF INTEREST (EOI) NO. EOI/INDIGENOUS/O/1/2020-21 FOR PURCHASE OF NATURAL GAS ON IMMEDIATE AS-IS-WHERE-IS BASIS BEING PRODUCED FROM OIL’S KUMCHAI FIELD LOCATED IN THE STATE OF ARUNACHAL PRADESH AND FALL BACK GAS FROM IN AND AROUND DULIAJAN LOCATED IN DIBRUGARH & TINSUKIA DISTRICT OF ASSAM”** at the following address:

**CGM-CONTRACTS
OIL INDIA LIMITED
CONTRACTS DEPARTMENT
P.O. DULIAJAN-786602
DIST. DIBRUGARH, ASSAM, INDIA**

The vendor must also super-scribe the priority sector of the end user they belong to as mentioned in Para 10 A. above, on the cover of the sealed envelope. The proposal should also include name, address, and other details, all relevant details like quantity of gas required, minimum time to start withdrawal, past experience, company profile / background, financial strength like bankers report, project approvals, credit rating etc.

15.2 The EOI(s) may also be uploaded in Parties' FTP server/ File sharing website (portal) and the link(s) may be provided to us at our e-mail within above specified period.

15.3 The EOI(s) should have clear indication of meeting the requisite experience and Financial criteria as mentioned in Pre-qualifying criteria.

15.4 OIL reserves the right to (a) accept or reject any/all EOI(s) submitted by parties (b) cancel the process at any time without any liability and assigning any reason thereof.

16.0 PRE-TENDER CONFERENCE:

Based on the documents received in response to the EOI, the qualified parties will be invited for a Pre-Tender Meeting. The exact date and venue of Pre-Tender Meeting will be intimated to all qualified parties nearer to the time. Based on the out-come of Pre-Tender Meeting, the final tender document shall be prepared and published. Parties who have attended the meeting will be intimated about the publication of Tender.

17.0 For clarifications, if any, the interested party may contract the following email addresses:

1. malaydas@oilindia.in
2. poranbaruah@oilindia.in
3. david_zodingliana@oilindia.in
4. akamalapuri@oilindia.in

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