

TERMS OF REFERENCE (TOR)
FOR
HIRING COMPOSITE RIGLESS PLUG &
ABANDONMENT SERVICES



TENDER ENQUIRY # PROC-
SERVICES/CB/PROD-4951/2021

**HIRING COMPOSITE RIGLESS PLUG & ABANDONMENT SERVICES
FOR OIL AND GAS WELLS
SCOPE OF WORK AND TERMS OF REFERENCE (TOR)**

1. INTRODUCTION AND SCOPE OF WORK

Oil and Gas Development Company Limited (OGDCL) intends to execute a contract for provision of composite rigless plug and abandonment services for oil and gas wells located anywhere in Pakistan. The plug and abandonment of wells are to be carried out as per DGPC Guidelines for Operational Safety, Health and Environmental Management 1996. The rate running (as and when required) contract will be tentatively for 30 wells over a period of three (03) years however, number of wells may increase/decrease as per requirement.

2. TECHNICAL DATA

The candidate wells are located anywhere in Pakistan with varying degrees of anticipated reservoir pressures, temperatures and depths.

Expected well parameters are as under:

- 2.1 Expected Reservoir Pressures may range from 200-7,000 psig
- 2.2 Expected Reservoir Temperatures may range from 110-360°F
- 2.3 Expected Reservoir Depths may range from 1,000-5,500 Meters
- 2.4 Reservoirs will be conventional (sandstone or Lime stone)
- 2.5 Conditions may be sour or sweet.

3. SCOPE OF WORK FOR BIDDERS:

Scope of work is tentatively for thirty (30) wells located anywhere in Pakistan over a period of three (03) years on rate running (as and when required) basis. However, number of wells may increase/decrease as per requirement. The bidder to provide the composite services for Rigless plug and abandonment of oil and gas wells that includes but not limited to the following:

- 3.1 The bidder to provide the detailed step wise plug and abandonment program based on the wells data provided by OGDCL.
- 3.2 The bidder to provide highly experienced manpower (not less than 05 years for key personnel) against each service involved in rigless plug and abandonment of well. Provide CVs of personnel for confirmation.
- 3.3 The bidder to provide coil tubing unit with various coil sizes and lengths as per requirement along with crew.
- 3.4 The bidder to provide the complete cementing services along with crew for pressure testing and placement of cement plug through coil tubing or bull heading.
- 3.5 The bidder to provide the water bowser for water transportation and sufficient water storage capacity (min 500 BBLs) at well site.
- 3.6 The bidder to provide the tubing puncture services either through slick line, wireline or through coil tubing to establish communication between tubing and annulus.

- 3.7 The bidder to provide crane services along with crew.
- 3.8 The bidder to provide services for Drift/dummy Runs, tagging of cement plugs, and to Run/Pull completion jewelries.
- 3.9 The bidder to provide the cement, chemicals for spacer, brine, mud, loss circulation control and in general all chemicals whichever is required for successfully carrying out Plug and abandonment job.
- 3.10 The bidder to carry out necessary cement & spacer pre job lab testing to facilitate and ascertain P&A design parameters.
- 3.11 The bidder to tag and pressure test the cement plug as per OGDCL requirement after every cement plug job.
- 3.12 The bidder to provide the services for well head removal, casing cut, welding of P & A plate.
- 3.13 The bidder to provide services for filling the cellar with cement and leveling.

4. TERMS AND CONDITIONS:

- 4.1 The scope of work is tentative, OGDCL reserve the right to increase or decrease the scope of work without change in prices and terms & conditions.
- 4.2 Bidder must give "Clean acceptance certificate" of OGDCL terms and conditions and if exceptions are found, the bidder will withdraw all exceptions.
- 4.3 The bidder shall be a registered company in Pakistan with minimum registration period of 03 years. Provide documents for registration with SECP and Tax Department.
- 4.4 The bidders must have either established Coil tubing & stimulation base in Pakistan or cementation & mud services base in Pakistan at the time of bidding. If required OGDCL team may visit facilities to confirm the same.
- 4.5 The bidder must have their own fleet of either CTU & Stimulation services or cementation & mud services in Pakistan capable of performing jobs simultaneously on at least two OGDCL wells.
- 4.6 Bidder must have Third party inspection (TPI) certificate of owned and third party equipment with complete history on annual basis at the time of bidding. OGDCL can check and verify at any time before award of contract and during contract period.
- 4.7 The bidder to provide contract for third party services to be utilized for P &A Jobs. The third party contract shall remain valid throughout the period of contract with OGDCL.
- 4.8 All responsibility shall rest with the contractor for any third-party equipment and personnel supplied by the contractor.
- 4.9 The bidder to confirm that all the required equipment & crew either owned by the bidder or third party is available in Pakistan at the time of bidding.
- 4.10 All third-party equipment must be accompanied with applicable quality and safety standards and/or pressure control manual.
- 4.11 All certificates, documents, proof of work etc. should be in English language, if not then they shall be accompanied with certified translation to English language.

- 4.12 OGDCL shall not be accountable for any personnel injury during Mob/De-mob, loading, offloading and during the course of operations at well site. Health insurance of deployed crew will be the responsibility of the contractor.
- 4.13 Contractor to arrange all safety equipment/services at their own for their personnel's whichever is required by them for working in extreme H2S environment with no additional cost to OGDCL.
- 4.14 Adequate back-up services / equipment should be available on site free of cost to avoid delay in operations.
- 4.15 Free of cost visits by the bidder to well site prior to start of any operation need to be made to provide feedback for any required arrangement by OGDCL.
- 4.16 All equipment/tools quoted by the bidder must be in good working condition with valid inspection and calibration certificate(s) for the performance of job(s). OGDCL reserves the right to inspect quoted equipment and tools as part of technical evaluation.
- 4.17 All jobs such as well killing, loss control, tubing puncture, placement of cement plugs, well head removal etc. which are required for successful P & A job is the sole responsibility of the contractor. Contractor will place, tag and pressure test the cement plugs as per standard procedures in the presence of OGDCL field representative.
- 4.18 Contractor will have to manage cross over in line with any well head connection for all services under the contract.
- 4.19 Lighting and Power source/generator at well site is to be arranged by the contractor.
- 4.20 Bidder shall be responsible for providing equipment and resources against the subject campaign. In case of introduction of sub-vendors, contractor shall be responsible for dealing with the issues involved during execution.
- 4.21 It will be the responsibility of the contractor to ensure arrangements (pumps, hoses, crew etc) for water transfer from browsers to contractor's storage tanks.
- 4.22 The Bidders to provide the CV's of technical professionals deployed for the subject services.
- 4.23 OGDCL reserves the right to ask contractor for the replacement of any of their personnel who is / are unacceptable to OGDCL for his / their incompetence or misbehavior at Contract holder's expense.
- 4.24 Contractor will provide the same personnel mentioned in their bid to carryout jobs. In case the contractor engages the personnel other than those mentioned in their bid, the educational and experience certificate must be provided before his/their mobilization. In case company fails to provide the necessary documentation, OGDCL reserves the right to cancel the personnel, operational and stand by charges for that particular job.
- 4.25 The Coil Tubing cumulative depth is defined as the accumulated downward movement of the coil tubing.
- 4.26 OGDCL can utilize its own available resource or utilize any service from other OGDCL contract with other contractor. Therefore, OGDCL is not bound to utilize whole services on the well.

- 4.27 The company reserves the right to use either all the services against the contract or use partial services depending upon requirement.
- 4.28 The services hired through this contract can also be utilized partially or completely for any requirement other than P & A.
- 4.29 The Bidder to confirm compliance with OGDCL's QHSE Policy.
- 4.30 Bidders must quote the cost of every item of bid format as per industry standards otherwise incomplete bid will not be entertained. Bidders must strictly follow and quote prices as per bid format. No clause with "if & but" having financial impacts will be entertained and in such case bid will be treated as non-responsive.
- 4.31 Mob/De-Mob Charges (Per Km) will be calculated according to the distance as per OGDCL distance chart or as per actual for the location not covered in the distance chart.
- 4.32 The contractor is required to submit the post job report within one week after execution of job.
- 4.33 If, after mobilization / reporting at site, job is cancelled then only mobilization / demobilization charges for crew / equipment will be paid. No job cancellation charges are admissible. Standby for the equipment and crew for each service in case of job cancellation are admissible only if complete equipment and crew for each service remained at well site for more than 24 hrs.
- 4.34 Standby charges for both equipment and crew are not applicable on the day of mobilization and demobilization.
- 4.35 Partial availability of crew or equipment at location will not attract any charges.
- 4.36 Bidder must quote all type of standby charges equal to or less than 50% of operating charges.
- 4.37 Chemical charges shall be paid as per quantities (volume/weight) physically pumped in the well and verified by OGDCL onsite representatives. No charges for left over chemicals are applicable at the end of the job.
- 4.38 Corrosion inhibitors/chemicals if required for any temperature range must be included in respective recipes. No charges will be made for additional use of any other corrosion inhibitor/chemicals.
- 4.39 If during job, it is ascertained that the service company is unable to perform / accomplish the job satisfactorily, OGDCL reserves the right to demobilize the service company. Invoice for unsuccessful/incomplete job will not be entertained for payment.
- 4.40 Fuel, oil and lubricants/transport that may be required by service company for operational purpose will be charged to service company as per actual and the cost will be deducted from the invoice.
- 4.41 Boarding / lodging and laundry services would be provided free of cost by OGDCL to the service company crew while working in the field.
- 4.42 If any of the equipment fails/breaks down during operation at well site and causes delay, no operating and standby charges for crew/equipment shall be paid during shut down period.

- 4.43 Rig up, Rig down and chemical mixing period will be considered standby for both equipment and crew.
- 4.44 The lost in hole (LIH) will be paid by OGDCL as per following criteria subject to the condition that there is no malfunctioning of service company equipment and loss is due to abnormal well conditions.
- 40 % of Landed cost of Equipment/tools which are less than three years old.
 - 30% of Landed cost of Equipment/tools which are equal to or more than three years old.
- 4.45 OGDCL reserves the right to accept or reject any/all bid (s) or annul the entire bidding process at any time prior to award of Contract without taking any responsibility of the affected bidder(s) and is not bound to justify the reasons to the affected bidder(s).

5. DURATION OF CONTRACT:

- 5.1. The duration of the contract will be three (03) years, however, any extension in term of contract will be subject to mutual consent of both the parties in writing.
- 5.2. The bid proposal/rates should remain valid unconditionally during the term of contract.
- 5.3. The Rate running contract (as and when required basis) will remain intact till the completion of jobs on wells where contractor is mobilized for the job during the contract period,

6. PAYMENT TERMS:

- 6.1 The payments to the contractor will be made through cross cheque in 100% Pak Rupees, at actual, against verified invoices at official exchange rate prevalent on the date of payment.
- 6.2 The prices quoted by bidder in financial bid should be in US\$. The quoted price should be fixed/firm and are inclusive of all applicable taxes, duties and Levies etc. except Provincial Sales Tax/ICT Tax on services.

7. BID BOND:

- 7.1 Bid Bond/Bid Security amounting to **USD 25,500/-** (US dollars twenty five thousand five hundred only) is to be attached/provided **with Technical bid**. Please see Master Set of Tender Document for further details.

8. MODE OF PROCUREMENT:

- 8.1 Bids against this tender are invited on “**Single Stage Two Envelope Bidding Procedure**” through press tendering, therefore, the bidders shall submit one original and financial bid. Soft copy of technical bids also to be submitted. Unpriced financial bid will be the part of technical bid.

Note: The Master Set of Tender Documents for Services uploaded on OGDCL’s website (www.ogdcl.com) is the integral part of this TOR.

9. TECHNICAL EVALUATION

All the bidders are required to provide a compliance certificate to the following. The bidder must fulfill the below mentioned minimum requirements for Technical Qualification. Even single “no” in below mentioned technical evaluation tables may lead to disqualification.

Sr.	Description	Status	Availability in Pakistan
1.	Cementation Services: Cementing services including but not limited to cement pumping unit, batch mixer, hook up connections etc. along with crew simultaneously for 02 OGDCL wells. Provided cementation services in Pakistan on at least 20 wells in last three years.	Owned/Third Party	
2.	Coil Tubing units: 02 No. coil tubing units with multiple coil sizes and lengths along with crew. Provided coil tubing services in Pakistan on at least 20 wells in last three years.	Owned/Third Party	
3.	Tubing Puncture Services: Tubing puncture equipment and crew for carrying out job simultaneously on 02 OGDCL wells. Equipment available in Pakistan. Provided tubing puncture services around the globe on at least 10 wells in last three Years.	Owned/Third Party	
4.	Mud Engineering Services: Mud engineering services for well killing and loss circulation control simultaneously for two OGDCL wells Provided mud engineering services in Pakistan on at least 20 wells in last three years.	Owned/Third Party	
5.	Water storage Capacity: Tanks with capacity of 1000 bbls for two simultaneous jobs. (Minimum 500 bbls for each job)	Owned/Third Party	
6.	Water transportation capacity: 02 Water bowzers with sufficient water capacity required for transportation of water for the job.	Owned/Third Party	
7.	Lab services: Availability of lab services for testing of cement slurries and recipes.	Owned/Third Party	
8.	Crane: 02 Nos. cranes along with crew	Owned/Third Party	
9.	Well head removal services Removal of well head services (well head removal, casing cut and welding of P & A plate) for carrying out jobs simultaneously at 02 OGDCL wells.	Owned/Third Party	
10	Chemicals: Availability/arrangement of cement, mud, brine, LCM etc. for the job.	Owned/Third Party	
	Instructions: <ol style="list-style-type: none"> The bidder to provide contract for third party services to be utilized for P &A Jobs. The third party contract shall remain valid throughout the period of contract with OGDCL. To qualify technically, the bidder must have their own fleet of either CTU & Stimulation services or Cementation & mud services, capable of performing jobs 		

	<p>on at least two OGDCL wells simultaneously in Pakistan.</p> <p>3. Please provide CV of the key personnel involved in each service for P & A campaigns clearly mentioning the jobs performed.</p> <p>4. Please provide the list of all crew members including name, CNIC, experience and number of jobs performed.</p>
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FINANCIAL EVALUATION

Table A: Tubing puncture services					
Sr.	Description	UOM (U)	Quantity (Q)	Unit Cost (P) US\$	Total =(P x Q) US\$
1	Lump sum charges for tubing puncture job, This includes tubing puncture equipment, crew, dummy run, cement tag and all necessary equipment including top connections / x-overs required for successfully performing job (minimum 02 shots/job or as many as required to achieve circulation).	Lump sum/job	2		
2	Equipment standby charges (All equipment).	Days	3		
3	Crew standby charges (All Crew).	Days	3		
4	Equipment Mob/De-Mob Charges.	Kms	2,600		
5	Crew Mob/De-Mob Charges.	Kms	2,600		
6	Cost/well (02 jobs/well)	Well	1		=Sum(R1:R5)
7	Total cost for 30 Wells	Wells	30		=30*R6

Table B: Crane Services					
Sr.	Description	UOM (U)	Quantity (Q)	Unit Cost (P) US\$	Total =(P x Q) US\$
1	Crane Operating Charges with crew.	Day	10		
2	Crane Standby Charges with crew.	Day	3		
3	Mob/De-Mob of crane with crew.	KM	2,600		
4	Cost/well	Well	1		=Sum(R1:R3)
5	Total cost for 30 wells	Wells	30		=30*R4

Table C: CTU, cementation and pumping services					
Sr.	Description	UOM (U)	Quantity (Q)	Unit Cost (P) US\$	Total =(P x Q) US\$
Coil Tubing Services(Including complete BHA whichever is required during the job)					
1	CTU Operating Charges.	Days	5		
2	CTU Standby Charges.	Days	5		
3	CTU Crew Operating Charges.	Days	5		
4	CTU Crew Standby Charges.	Days	5		
5	Coil Tubing Cumulative Depth Charges.	Meter	5,000		
6	Mob/De-mob of Coil Tubing Unit.	KM	2,600		
7	Mob/De-mob of Coil Tubing Crew.	KM	2,600		

Cementing/Pumping Services (Include all equipment whichever is required for well killing, loss circulation control, placement of cement plugs and pressure testing)					
9	Cementing Equipment Operating Charges.	Days	5		
10	Cementing Equipment Standby Charges.	Days	5		
11	Cementing Crew Operating Charges.	Days	5		
12	Cementing Crew Standby Charges.	Days	5		
13	Volume Pumping Charges.	bbl	5,000		
14	Mob/De-mob of Cementing/pumping service complete equipment.	Km	2,600		
15	Mob/De-mob of Cementing/pumping service complete crew.	Km	2,600		
16	Cost/well	Well	1		=Sum(R1:R15)
17	Total cost for 30 wells	Well	30		=30*R16

Table D: Recipes and Chemicals					
Sr.	Description	UOM (U)	Quantity (Q)	Unit Cost (P) US\$	Total =(P x Q) US\$
Well Killing Recipes (Please also quote chemicals name, code, per unit rate, quantity used for preparing below mentioned recipes/bbl)					
1	8.4 - 9.9 ppg Killing Fluid Charges (10 Wells)	bbl	5,000		
2	10 - 11.6 ppg Killing Fluid Charges (10 Wells)	bbl	5,000		
3	11.7 - 13.1 ppg Killing Fluid Charges (04 Wells)	bbl	2,000		
4	13.2 - 14.5 ppg Killing Fluid Charges (03 Wells)	bbl	1,500		
5	14.6 - 16.5 ppg Killing Fluid Charges (03 Wells)	bbl	1,500		
Cement Recipe Charges (Please also quote chemicals name, code, per unit rate, quantity used for preparing below mentioned recipes/bbl)					
6	110 °F - 180 °F Recipe Charges (07 wells)	bbl	560		
7	180 °F -240 °F Recipe Charges (15 wells)	bbl	1,200		
8	240 °F - 300 °F Recipe Charges (06 wells)	bbl	480		
9	300 °F Above Recipe Charges (02 wells)	bbl	160		
LCM Recipe Charges (Please also quote chemicals name, code, per unit rate, quantity used for preparing below mentioned recipes/bbl)					
10	110 °F - 180 °F Recipe Charges (07 wells)	bbl	210		
11	180 °F -240 °F Recipe Charges (15 wells)	bbl	450		
12	240 °F - 300 °F Recipe Charges (04 wells)	bbl	120		
13	300 °F Above Recipe Charges (04 wells)	bbl	120		
Hi-viscous Pill Recipe Charges (Please also quote chemicals name, code, per unit rate, quantity used for preparing below mentioned recipes/bbl)					
14	110 °F - 180 °F Recipe Charges (07 wells)	bbl	210		
15	180 °F -240 °F Recipe Charges (15 wells)	bbl	450		
16	240 °F - 300 °F Recipe Charges (04 wells)	bbl	120		
17	300 °F Above Recipe Charges (04 wells)	bbl	120		
18	Recipe cost for 30 wells				=Sum(R1:R17)

Table E: Casing Cut, Well Head Removal, welding of Abandonment Plate and filling Cellar with Cement Slurry

Description	UOM (U)	Quantity (Q)	Unit Cost (P) US\$	Total =(P x Q) US\$
Lump sum cost for Casing Cut, Well Head removal, welding of Abandonment Plate /well and filling cellar with cement slurry (with material).	well	30		

TOTAL BIDDING VALUE OF PRICING TABLES

Sr.	Table #	Service Description	Table Totalizer (US\$)
1	Table-A	Tubing puncture services	
2	Table-B	Crane Services	
3	Table-C	CTU, Cementation and pumping services	
4	Table-D	Recipes and Chemicals	
5	Table-E	Casing Cut, Well Head Removal and welding of Abandonment Plate and filling cellar with cement slurry (with material)	
6	Grand Total Cost for Thirty (30) Wells (US\$)		=Sum(R1:R5)

Note:

- The bidder quoting lowest in the above table at “Grand Total Cost for thirty (30) Wells” shall be the financially lowest and contract will be awarded to the financially lowest bidder.
- Zero (0) value shall depict “free of cost” service.
- A free standby of 3 days for equipment shall be considered against each well and each service prior to start of job.
- Bidders must quote all type of standby charges equal to or less than 50 % of operating charges.
- Well to well mobilization charges of equipment and crew within a field is not admissible
- Number of wells, Days, Millage, recipes and quantities mentioned are for evaluation purposes only. Payment will be made as per actual.