

**Information for 3rd Party Inspection against Purchase Order No.
PROC-FA/CB/WS-5055/770243/2022 for Procurement of Oil base Mud
(OBM) Chemical package**

1	Purchase Order No.	PROC-FA/CB/WS-5055/770243/2022 Dated: 19-May-2021
2	Amount of Purchase Order	US \$ 1,621,138/50-
3	Name/address of Manufacturer	As per PO
4	Name/address of LC Beneficiary	As per PO
5	Local Agent / Contact Person	M/s SAJ Energy Services Office 201, Al-Safa Heights-2, Street 73 F-11/1, Islamabad, Pakistan Tel: +92- 51-8359902 0324 8716581 Email: sourcing@sajenergyservices.com info@sajenergyservices.com
6	Inspection Location & Address:	Zul Energy Middle east FZ-LLC, AL Ghail Industrial Zone-FZ Ras Al khaimah, UAE Contact: +97172362065 Email info@zulenergy.com
7	Description of Material	As per Purchase Order No. PROC-FA/CB/WS-5055/770243/2022 (copy attached)
8	Scope of Work	As per attachment

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TOR / SCOPE OF WORK FOR THIRD PARTY PRE-SHIPMENT INSPECTION OF OIL BASE MUD CHEMICALS (OBM) PACKAGE

Inspecting agency will have to fulfill following terms and conditions in connection to third party inspection related to consignment of OBM Package as per detail prior to shipment according to delivery schedule against PO # PROC-FA/CB/WS-5055/2021 at the premises of the Manufacturer's facilities i.e.-----.

DETAILS OF OBM PACKAGE:

The package will consist of the following chemicals/additives.

- i) Viscosifier (Oil Base Mud Gel) :
- ii) Primary Emulsifier: 250 Cubic Meter
- iii) Surfactant / Wetting agent (Oil Base Mud) : 120 Cubic Meter
- iv) Fluid Loss Control Agent / High temperature Stabilizer: 170 M.Ton
- v) Secondary Emulsifier: 250 Cubic Meter

- a. Carry out physical inspection regarding quantity and packaging of material in accordance with Packing Requirement as per below given detail at manufacturer's facility.

Packing Requirement:

FOR CHEMICALS AT SR # (ii), (iii) & (v) (PRIMARY EMULSIFIER, SURFACTANT/WETTING AGENT & SECONDARY EMULSIFIER):

The chemical should be packed in **200 Ltr or 55 US Gallon** net export quality new Mild Steel (MS) Drums, corrosion resistant, palletized as 04 drums on one wooden pallet, shrink wrapped with thick polyethylene sheet and tightly strapped. The packaging of the required mud chemical should be of international standards and capable to safe transportation during ocean / road journey from port of shipment to well site and to withstand harsh weather conditions at the storage points and at the well sites / locations.

FOR CHEMICALS AT SR # (i) & (iv) (OIL BASE MUD GEL & FILTRATION CONTROL AGENT):

The chemical should be packed as **25 kgs or 50 lb** net per bag in export quality new multi-wall paper bags having thick, high density inner polythene liner for rendering the material completely moisture proof. The material should be palletized as **900 - 1000 Kg or 1800 - 2000 lb** respectively, wrapped with thick polyethylene sheet and tightly strapped. The packaging of the required mud chemical should be of international standards and capable to safe transportation during ocean / road journey from port of shipment to well site and to withstand harsh weather conditions at the storage points and at the well sites / locations.

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MARKING:

Each bag / drum should have clearly legible marking, as given below;

- (a) Name of the product.
- (b) Name of the Manufacturer.
- (c) Date/month/ year of manufacture.
- (d) Minimum shelf life
- (e) Supply order number against which supplies are made.
- (f) Lot No. _____ / Batch No. _____.

c. Draw random samples as per laid down procedure of agency selecting Square Root of Total sacks from each chemical ready for shipment, mix all the samples thoroughly to get one (01) composite sample of each chemical and divide it in 04 (Four) equal parts.

d. 01 Sample of each chemical to be tested as per supplier procedure of package in 3rd party Lab, 01 each to be kept with bidder & TPI inspector respectively for their record and 4th Sample to be dispatched directly by third party inspector to OGDCL at the following address:-

Manager I/C (Drilling Services)

Room No. 304, 3rd Floor,

Tower-A. OGDCL House, Plot No.3013(New)

F-6/G-6, Blue area, Jinnah Avenue Islamabad, Pakistan

Tel: 0092-51-920023738 / 920022349

e. The Third Party Inspection firm will be bound to dispatch the Inspection report along with Lab Analysis Report; completed in all aspect by courier within 7 days. An advance scanned copy must be communicated immediately after inspection to following addresses:

- i- Irfan.nazir@ogdcl.com , ejaz_rizvi@ogdcl.com,
- ii- irshad_khosa@ogdcl.com / javid_sabir@ogdcl.com
- iii- saima_maqsood@ogdcl.com / shazia_shahid@ogdcl.com

f. The TPI firms are required to draw samples as per "clause-c" and one representative sample of each chemical (duly sealed by TPI firm) will be dispatched directly to OGDCL. The sample courier charges would be borne by bidder as per clause-11 of SOR.

g. In case of different country of origin / port of shipments, the scope of work of TPI firm will be physical inspection only and the TPI charges would be quoted accordingly.

h. In case of only one country of origin / port of shipment, the scope of work of TPI firm will be physical inspection followed by laboratory testing and TPI charges would be quoted accordingly.

i. If the scope of work includes the inspection of chemical followed by the laboratory testing then the TPI inspector for testing of sample must be a chemist / chemical engineer having past experience of Mud chemicals testing or competent enough for completion of assignment.

j. The TPI firms are required to mention in their proposal that testing would either be done in TPI firm's lab / third party lab or manufacturer's lab duly witnessed by TPI inspector (if lab facility is not available with TPI firm) and testing charges be quoted accordingly.

k. Above mentioned terms and conditions should be followed in its true letter and spirit.

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LABORATORY TESTING

The supplier will mention the exact quantities of the above said chemicals / additives of the package, Barite and HSD oil along with detail mixing procedure to formulate 1 liter of oil base mud (oil water ratio 90:10, containing 28 grams of 94 % pure anhydrous calcium chloride CaCl_2 in 100 ml distilled water) having the following properties at $49(\pm) 3^\circ\text{C}$.

1. Specific Gravity = 1.99 to 2.01
2. Yield Point = 10 to 30 lbs/100 sq.ft
3. HTHP Fluid Loss at 170°C and 500 Psi differential pressure = 10 ml (Maximum)
4. Break Down Voltage = 1200 volts (Minimum)

The oil base mud having above mentioned properties, when hot rolled in a roller oven for 16 hrs at 170°C , cooled to $49 (\pm) 3^\circ\text{C}$ and stirred for 20 minutes in Hamilton Beach Mixer at high speed, should have values within the respective maximum & minimum limits of above properties.

SR. NO.	PROPERTIES	BEFORE HOT ROLLING	AFTER HOT ROLLING AT 170°C
01.	Specific Gravity (S.G)		
02.	Yield Point (lbs/100 sq.ft)		
03.	HT-HP Fluid Loss (ml)		
04.	Break Down Voltage (volts)		

Note: - Details of Mixing Procedure to be provided by each Bidder is mandatory.

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OIL & GAS DEVELOPMENT COMPANY LIMITED

Procurement Department

Fax : 051-9209673 & 9209803-7
Telex : 5892 OGDC PK & 5867 OGDC PK

Phone : 9218058
Cable : OILGASCORP

No. PROC-FA/CB/WS-5055/770243/2022
To ZUL ENERGY MIDDLE EAST FZ LLC
Supp. No 50957
Address AL GHAIL INDUSTRIAL ZONE-FZ RAS AL KHAIMAH, UAE

Date : 11-MAY-2022

Subject: **Purchase Order No. PROC-FA/CB/WS-5055/770243/2022 For Procurement Of OIL BASE MUD (OBM) CHEMICALS PACKAGE Against Your Quotation No. NIL**

Dear Sir,

We are pleased to issue purchase order in response to your above cited bid as detailed below :-

Sr. No.	Description	Index No.	UOM	Qty	Unit Value	Total Value	Item Type
					C & F BY SEA	C & F BY SEA	
					USD	USD	
1	VISCOSIFIER (FOR OIL BASE MUD)	28-03-014-F	Metric Ton	50	2,947.0000	147,350.00	WELL
2	PRIMARY EMULSIFIR (FOR OIL BASE MUD)	28-03-058-F	Cubic Meter	250	1,988.1800	497,045.00	WELL
3	SURFACTANT, WETTING AGENT	28-03-645-F	Cubic Meter	120	2,063.3000	247,596.00	WELL
4	FILTRATION CONTROL AGENT, HT STABILIZER	28-03-085-F	Metric Ton	170	1,143.7500	194,437.50	WELL
5	SECONDARY EMULSIFIER(FOR OIL BASE MUD)	28-03-057-F	Cubic Meter	250	2,138.8400	534,710.00	WELL
Total :						1,621,138.50	

JSD One Million Six Hundred Twenty One Thousand One Hundred Thirty Eight And Point *Fifty*

Indent #	WS(Mud)-308/18/2021	Port of Shipment	UAE
Name & Address of Manufacturer	ZUL ENERGY MIDDLE EAST FZ LLC	Port of Discharge	KARACHI SEA PORT
Delivery Period	120 DAYS		
Country of Origin	UAE		
Banker's Address	US\$ 1,621,138.50/NATIONAL BANK OF FUJAIRAH, AL QUOZ BRANCH, DUBAI, A/C USO # 012001460895, IBAN #AE40030080000012001460895,SWIFT:NBFUAAEAFDXB		

Special Note

**"Condition of Contract (General/Special) of tende enquiry, should be treated a part of the Purchase Order".
Letter of credit shall be established as per Terms & Conditions attached herewith.**

[Signature]
19/05/2022

MANAGER (SCM) FOREIGN

[Signature]

Verified Plt.
M. Farhat
M. FARHAT SHARIF
Sr. Mud Engineer
Ext: 2917

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OTHER TERMS AND CONDITIONS OF THE L/C TO BE
STRICTLY COMPLIED BY THE BENEFICIARY

CFR Karachi

1. CONSIGNEE:

The goods must be consigned to *the L/C establishing bank* and notify party Oil & Gas Development Company Ltd., Chief Material Officer, Plot No. 21, OGDCL Warehouse, West Wharf Road, Karachi. Telephone No. 021-32311108, 32313119, Fax No. 021-32311040, E-mail: abdulwaheed_kunbhar@ogdcl.com

2. PACKING:

2.1 For chemicals at sr # 2,3 & 5 (Primary Emulsifier, Wetting Agent & Secondary Emulsifier)
The chemicals should be packed in 200 Ltr or 55 US gallon net export quality new mild steel (MS) drums, corrosion resistant, palletized as 04 drums on one wooden pallet, shrink wrapped with thick polyethylene sheet and tightly strapped. The packaging of the required mud chemical should be of international standards and capable to safe transportation during ocean/road journey from port of shipment to well site and to withstand harsh weather condition at the storage points and at the well sites/location.

2.2 For Chemicals at Sr# 1 & 4 (Oil Base Mud Gel & Filtration Control Agent)

The chemicals should be packed as 25 kgs or 50 lb net per bag in export quality new multi-wallpaper bags having thick, high density inner polyethylene liner for rendering the material completely moisture proof. The material should be palletized as 900-1000 kg or 1800-2000 lb respectively, wrapped with thick polyethylene sheet and tightly strapped. The packaging of the required mud chemical should be of international standards and capable to safe transportation during ocean/road journey from port of shipment to well site and to withstand harsh weather condition at the storage points and at the well sites/location.

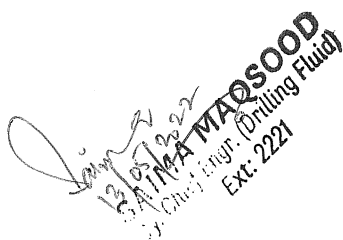
3. MARKING:

- 3.1 All Packages/boxes must bear the Purchase Order No. as Shipping Marks, Country of Origin and Weight in Kilograms (Gross/Net). The marks must tally with shipping documents like B/L and manifest there should not be any difference.
- 3.2 In addition to the above mentioned shipping marks, the following procedure of color code marking is to be adopted / made on each side of the package/box/container while dispatching the material: -
"There will be an isosceles triangle with or less than six inches side, triangle side marked in black lines, letters "OGDCL" inscribed inside, the letters to be not less than 1½" tall and will be in black. On big packages/boxes/containers, the sides or triangle and letters will be increased appropriately. Underneath the triangle there will be two color code bars in "GREEN" color size six inches in length and 1½" in width. If the above color codes marking is not appropriate/suitable, the sizes and color may be changed".
- 3.3 Each item of the consignment should also be marked with ^{Sr/}item # of the Purchase Order.
- 3.4 Each bag/drum should have clearly legible marking, as given below;
a) Name of the Product
b) Name of the manufacturer
c) date/month/year of manufacture.
d) Minimum shelf life
e) Supply order number against which supplies are made
f) Lot no. Batch no.

4. SHIPPING DOCUMENTS.

Shipping documents shall consist of the following:

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Ext: 2221



- 4.1 Master Bill of Lading on Freight Pre-Paid Basis signed by the carrier or their authorized agent showing clean shipped on board. Freight forwarders, Third party, Short form, blank back and House Bill of Lading is not acceptable.
- 4.2 Detail invoice showing commodity description, quantity, unit/total price, total No. of packages, etc. containing original signatures.
- 4.3 Packing List, (Showing total number of packages, gross/net weight & measurement and Box No. in case of more than one boxes such as Box No. 1/10, 2/10 10/10 and so on and detailed of equipment in each box.
- 4.4 Certificate of origin.
- 4.5 Certificate of compliance of the credit terms as per clause No. 2 in respect of Packing.
- 4.6 Insurance declaration. A copy of Fax OR E-mail sent to Insurance Company in compliance to the Clause No. 9 of the purchase order.
- 4.7 A Copy of the Fax OR E-mail sent in compliance to the Clause No. 6.1 of the purchase order.
- 4.8 A copy of third party pre-shipment inspection report issued by third party inspector duly accepted/verified by OGDCL's Indenting Department prior to shipment.

5. INSTRUCTIONS FOR COMPLETING SHIPPING DOCUMENTS:

- 5.1 The shipping invoice should be marked on top in capital words.
 - a) Complete, first and last consignment (if all the contractual material is shipped in one lot.)
 - b) First partial shipment/second partial shipment (and so on). Final and last shipment as the case may if shipments are effected in parts.
- 5.2 All Invoices should be signed, and must indicate value of the each items total value and also show 'SHIPPING MARKS' as provided in the contract. All containers of cargo must carry copy of invoice. A compliance certificate in this regard shall be provided along with the shipping documents. In case on noncompliance the beneficiary shall pay the penalty imposed by the Custom Authority.

6. SHIPMENT INTIMATION:

- 6.1 The beneficiary within 24-48 hours of making shipment must sent fax OR E-mail to (1) Deputy Chief Material Officer, Plot No. 21, West Wharf, Karachi, Fax No. 0092-21-2311040 ,E-mail: abdulwaheed_kunbhar@ogdcl.com (2) Manager (Foreign) Procurement, OGDC House Plot No. 3 (New NO. 3013)F-6/G6, Blue Area, Jinnah Avenue, Islamabad. E-mail: ejaz_rizvi@ogdcl.com 3) Chief Accountant (Imports) on Fax No. 0092-51-9209803-7, E-mail: farooq_salim@ogdcl.com (4) National Insurance Company Limited, Karachi on FAX No. 0092-21-99202734 or E-mail: sanaullah.shaikh@nicl.com.pk OR gulam.akbar@nicl.com.pk, OR info@nicl.com.pk intimating them the following: -

- a) L/C numbers and Contract No.
- b) Name of the Ship & Shipping Line.
- c) Bill of Lading No. & Date.
- d) Total CFR value of the consignment shipped.
- e) Port of shipment.
- f) No. of boxes/packages/pieces.
- g) Net and gross weight.
- h) Expected time of arrival (ETA) of ship.

7. SHIPMENT INSTRUCTIONS

- a) The contractor/Supplier/Vendor is requested to ensure that Commercial Invoice / Packing List shall be pasted on the inner side of the door of container for FCL Shipments and on Boxes / Crates / Cartons etc. for LCL Shipments. Non-Compliance to this instruction may result in heavy penalty imposed by Custom Authorities which shall be recovered from the Contractor/Supplier/Vendor.
- b) Please ensure that in case of CFR contracts the local charges at Karachi Seaport/Airport must be included in the freight cost.

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 Ext. 2221

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- c) The freight forwarders/shipping agents at country of origin must include the corresponding local charges such as delivery order/port handling & container rentals for free time etc. Company shall pay only the wharfage/demurrage charges. They should also ensure that there should be only one local agent of the shipping company who should handle such matters. In case OGDCL had to pay such charges, it shall be recovered from the contractor.

8. INSTRUCTION REGARDING TRANSMISSION/NEGOTIATION OF SHIPPING DOCUMENTS.

8.1 ORIGINAL NEGOTIABLE DOCUMENTS:

- a) The beneficiary immediately upon making shipment(s) should negotiate the original clean shipping documents free from any discrepancy with negotiating bank as indicated in the L/C.
- b) If clean documents free from any discrepancy are not negotiated within negotiation period mentioned in the L/C, or if the documents are withheld by the Bank on account of any discrepancy whatsoever the demurrage or financial impact if any incurred due to late negotiation of clean documents will be on beneficiary's account.
- c) Original/negotiable documents must contain at least four sets of the shipping documents mentioned under Clause No. 5 above.
- d) The original shipping documents should be dispatched through courier service by the negotiating bank at the beneficiary's cost within 24-48 hours after receipt from the beneficiary.
- e) The discrepant documents with minor discrepancies will be accepted subject to the consent of Procurement Department to facilitate prompt clearance of the consignment on the condition that demurrage, if any due to the discrepancies reported by L/C opening bank will be on beneficiary account.

8.2 NON-NEGOTIABLE DOCUMENTS:

- a) Six complete sets of non-negotiable shipping documents must be dispatched OR E-mailed to the Manager Procurement (Foreign) at the following address immediately upon shipment is effected:-
MANGER PROCUREMENT (FOREIGN)
OIL & GAS DEVELOPMENT COMPANY LIMITED
OGDC HOUSE, PLOT NO. 3 (NEW NO. 3013),
F-6/G-6, BLUE AREA, JINNAH AVENUE,
ISLAMABAD, PAKISTAN.
PHONE NO. 0092-51-920023780, 920023652 & FAX NO. 0092-51-9244210,
9209673
E-mail: ejaz_rizvi@ogdcl.com
- b) Two complete sets of non-negotiable shipping documents must be dispatched OR E-mailed to Chief Material Officer at the following address immediately upon shipment is effected:-
DEPUTY CHIEF MATERIAL OFFICER,
OIL & GAS DEVELOPMENT COMPANY LIMITED,
PLOT NO. 21, WEST WHARF ROAD,
KARACHI, PAKISTAN.
PHONE NO. 0092-21-2311108, 2313119-23 & FAX NO. 0092-21-2311040
E-mail: abdulwaheed_kunbhar@ogdcl.com
- c) The shipping documents should be couriered through any reliable courier company at shipper's cost so that the same must be received at least 10 days before arrival of the vessel.

9. INSURANCE:

Insurance from port of shipment/delivery will be covered by openers and declaration shall be made by the beneficiary to Insurance Company i.e. M/S National Insurance Company Limited, NICL Building, South Zone, Abbasi Shaheed Road, off Shakra-e-Faisal Road, Karachi (Pakistan). Fax No. 0092-21-99202734 or E-mail: "sanullah.shaikh@nicl.com.pk" OR gulam.akbar@nicl.com.pk, OR info@nicl.com.pk and Chief Accountant (Imports)/OGDC

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LTD., Fax No. 0092-51-9209803-07 or E-mail: farooq_salim@ogdcl.com immediately after shipment giving full details of shipment e.g. value of shipment description of material, name of vessel, B/L with date, port of shipment, contract and Letter of Credit Numbers.

10. DEMURRAGE DUE TO DELAY IN RECEIPT OF ORIGINAL/NEGOTIABLE DOCUMENT / TRANSSHIPMENT AND SHIPPING LINES AGENTS:

10.1 If clean documents are not negotiated within negotiation period of the L/C or documents are withheld by bank on account of any discrepancy, the demurrage charges, if any incurred due to late negotiation of the clean documents and paid by the OGDCL LTD. will be realized from the beneficiary directly by raising debit advice, or by deducting the amount paid from the L/C value or by encashing Performance Bond (if provided) to the extent of demurrage amount. In case the demurrage amount exceeds the value of Performance Bond the balance amount will be payable by the beneficiary.

10.2 Transshipment is totally prohibited under this L/C. The beneficiary must ensure that no transshipment takes place against this L/C, and demurrage paid by OGDCL LTD. due to transshipment will be on beneficiary's account.

10.3 Any demurrage paid by OGDCL LTD. due to inconsistency in B/L and manifest will be recovered from beneficiary.

11. LIQUIDATED DAMAGES.

a) If the contractor fails to deliver any or all of the goods within the time period(s) specified in the Contract, the Purchaser shall, without prejudice to other remedies under the contract, deduct from the contract price / Bank Guarantee as liquidated damages, a sum not more than 0.5% of the contract price per week or part thereof for first four weeks, 1.00% per week for next four weeks and 1.5% per week exceeding four weeks up to maximum extent of 10% of the contract value.

b) In case the Purchaser is satisfied that the delayed / defective shipment was due to some mistake or circumstances beyond the control of the contractor and the contractor has not intentionally or negligently contributed in the delay, the Purchaser may impose Liquidated Damages for not more than a sum equivalent to 0.5% of the delayed or defective shipment per week or part thereof for first two weeks, 1.00 % per week for next three weeks and 1.5% per week exceeding five weeks but not exceeding 10% of the contract value of the delayed/ defective shipment provided that the contractor takes immediate remedial measures for the-replacement of defective shipment and takes prompt steps to mitigate the delay. The Purchaser may however, impose Liquidated Damages as per (a) above if the delayed or defective shipment has affected the project completion schedule or has resulted in production losses.

c) Even after imposition of LDs, if the supplier fails to materialize the delivery (material and or services); the Purchaser reserves the right to cancel Purchase order/contract/LC and to forfeit the Guarantee (if applicable) after intimating the supplier for such cancellation / forfeiture.

12. AMENDMENT / EXTENSION OF L/C:

The beneficiary will positively confirm shipment of all ordered goods within L/C validity or make request for extension of shipment and negotiation dates at least 15 to 30 days prior to the expiry of L/C. If shipment is not effected within L/C validity or request for extension is not received 15 to 30 days prior to expiry of L/C validity, no request for grant of extension in shipment and negotiation will be entertained under any circumstances. In case of extension in shipment/negotiation period, the beneficiary will be required to extend the validity of his performance bond (if provided) accordingly. All charges on this account will be on beneficiary's account.

13. CHARGES FOR L/C ESTABLISHMENT:

13.1 All charges of credit opening bank for credit will be borne by the OGDCL.

13.2 All charges of corresponding bank such as negotiation of documents, adding confirmation to credit etc. will be to the account of beneficiary.

13.3 All charges for amendments/extension in L/C will be to the account of beneficiary.


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14. PAYMENT:

The eighty percent (80%) payment will be made against each shipment upon submission of original shipping documents to the LC opening bank, whereas balance twenty percent (20%) payment will be released after receipt, inspection and acceptance of material at OGDCL Khadeji Base Store Karachi. Furthermore, payment of balance twenty percent (20%) will be released upon issuance of Acceptance / Delivery Certificate from OGDCL to L/C beneficiary confirming receipt & acceptance of material along with submission of commercial invoice of remaining value.


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