

GLOBAL EXPRESSION OF INTEREST FOR INTEGRATED DEVELOPMENT SERVICES FOR DRILLING & COMPLETION OF WELLS AT BARMER, RAJASTHAN

Vedanta Ltd. is the world's 6th largest diversified natural resources conglomerate with business operations in India, South Africa, Namibia and Australia. It is a leading producer of Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, Aluminium & Power. Vedanta contributes 1% towards India's GDP, as per IFC. We are investing \$9 Bn in capital projects over the next 2 – 3 years to double our revenues from current levels of \$15 Bn.

Cairn Oil & Gas, Vedanta Ltd., is India's largest private oil and gas exploration and production company having current interest in 58 blocks and accounting for more than a quarter of India's domestic crude oil production. Cairn Oil and Gas has a vision to achieve 50% of India's crude production and contribute to India's energy security. Cairn on behalf of itself and its Joint Venture ("JV") partners, Oil and Natural Gas Corporation ("ONGC"), for the contracted area RJ-ON-90/1 located in Barmer in Rajasthan, India, issues this EOI for the end to end integrated construction of wells in the development projects for two fields: Mangala and ABH.

Brief Scope of Work

Cairn Oil and Gas intends to fast track the development of its fields in Rajasthan with the additional well campaign in order to maximize the resource monetization with cost optimization.

To achieve these objectives, Cairn Oil and Gas, invites global Oil & Gas Service/EPC companies and/or consortiums, with field development capabilities for end to end Integrated well construction (including drilling, completion/workover, hydraulic fracturing, logging, testing/flow-back, artificial lift installation and associated well services, application of Production technology for enhancing the well productivity and ultimate recovery), to express their interest for pre-qualification to participate in the International Competitive Bidding (ICB) Process. Interested companies/consortiums would preferably need to demonstrate strong and integrated development capabilities as well as past experience of executing similar projects successfully.

The two constituent projects with their specifics are mentioned below:

1. Mangala FM-3/ FM-5 development

Drilling, Completion/Workover, flow-back, Cellar Construction and wellsite civil works for:

- Horizontal wells - Producer (with provision of ESP as Artificial Lift mode)
- Deviated Producers (with provision of Jet Pump as Artificial Lift Mode)
- Deviated Injectors (with provision of Jet Pump as Artificial Lift mode)

The salient features will be:

- Drilling, Completion, logging, artificial lift installation and flow-back of new Horizontal wells (4 horizontal wells minimum)
- Drilling, Completion, Logging, Perforation, artificial lift installation and flow-back of new Deviated Producer and Injector wells
- Workover of deviated Injectors and Producers including cement remedial job (Squeeze Cementing etc.)

2. ABH

Brief History of ABH Field

Aishwariya Barmer Hill Field was discovered in March 2004 and 6 more wells were drilled and tested as part of Field Appraisal program. The Barmer Hill Formation is divided into 12 different members based on lithological characteristics. The Aishwariya Barmer Hill (ABH) field consists of a laminated high porosity (25-35%), low permeability (~1mD) porcellanite/diatomite rocks of biogenic origin, intercalated with lacustrine claystones. 39 Oil producer wells have already been drilled and fracturing is ongoing as part of the ongoing development project. The plan is to increase the offtake from the ABH field by drilling and completing 5 additional wells, for which the EOI is being floated through this document.

The salient features of the scope of work will be:

- Drilling, Completion, well logging, Hydraulic Fracturing, flow back, well testing, artificial lift installation, cellar construction and well site civil work of 5 new wells (4 horizontals dedicated to a particular layer and 1 vertical/inclined well).
- 36m coring in one vertical/inclined well.

Pre-Qualification Criteria

NOTE: APPLICANT wherever referred to in this document, would mean the leader of CONSORTIUM of Oil & Gas Services/ EPC Companies (in case the bidder applies as a CONSORTIUM) or an Oil & Gas Services/EPC Company itself (in case the bidder applies as an individual company). APPLICANT should necessarily have core competence on 'integrated Horizontal and deviated Oil well construction'. Additionally, APPLICANT will be required to meet the below mentioned pre-qualification criteria to legitimately express interest for collaboration with Cairn Oil and Gas.

Key Pre-Qualification criteria

1. Financial performance:

1. Turnover in each of the immediately preceding two financial years should be equal to or more than the estimated average annual contract value
2. Positive net worth in each of the immediately preceding two financial years
3. Liquidity ratio shall not be less than 1.00 in each of the preceding Two (02) financial years

APPLICANTS are requested to submit company's financial performance documents (Audited Balance sheets, Profit and Loss Account & cash flow statement, Auditors Report and Notes to Accounts etc.) for last 2 (two) financial years in the tender. Latest financial statement should not be older than 12 months on the date of Expression of interest.

Additional points to be considered for evaluation of financial performance:

- Normally standalone financials of the bidding entity only will be considered. However, consolidated financials at the bidding entity level, if available, can also be submitted. Parent company or Affiliate's financials can be submitted and considered, subject to submission of Parent/ Affiliate company guarantee. This should be clearly mentioned in the tender.
- In case of consortium, bidder is required to provide Memorandum of Understanding (MoU) executed by the consortium partners. The MoU should indicate the scope of work to be performed by the

respective consortium members expressed as a percentage of contract value. Each consortium partner should themselves individually meet the financial evaluation criteria namely, turnover, net worth and liquidity in proportion to the percentage of work to be performed by them. The Performance Bank Guarantee (PBG) will have to be submitted by individual consortium partners in the ratio of work being performed unless the leader takes responsibility of the complete consortium in which case, leader can submit PBG of required value.

- Evaluation will be done only on the basis of the published annual reports / audited financials containing Auditor's report, Balance sheet, Profit & Loss a/c and Notes to Accounts
- In case of unaudited statements (if there are no audit requirements for auditing of financials as per the local law), the financials shall be accompanied by a certificate from a Certified Accountant. Certificate should also mention the fact that there is no requirement of audit of the financials as per the local law
- All qualifications and exceptions brought out in Auditor's report and Notes to Accounts would be factored in while undertaking financial evaluation

2. Integrated development capabilities: The **APPLICANT** must demonstrate the following integrated development capabilities (directly or as a part of the **CONSORTIUM**) or a significant part of the overall development capability (directly or as a part of the **CONSORTIUM**):

I. Integrated Horizontal and Deviated Well construction: Drilling, Completions, Hydraulic Fracturing, Flowback, well-testing, artificial lift installation, associated well services & Cellar Construction activities. The vendor should also have re-fracturing and workover capabilities.

- Please mention the following details against each capability in the tender:
 - a) Whether the APPLICANT has the capability? (Yes / No)
 - b) If the APPLICANT doesn't have the capability, will it be addressed by CONSORTIUM? (Yes/No)
 - c) If the APPLICANT doesn't have the capability, will it be addressed by a sub-contractor? (Yes/No)
 - d) If capability addressed by CONSORTIUM, name(s) of finalized/likely CONSORTIUM PARTNERS
 - e) If capability addressed by subcontractors, name(s) of finalized/likely subcontractors
- For the above capabilities, please separately submit details of completed / on-going medium to large scale projects in last 7 years – where the APPLICANT or any CONSORTIUM MEMBER has demonstrated the respective capability in a similar context. Please submit project details as per Annexure 1. In case, any project qualifies for more than one capability, please clearly state the same in the tender.

ANNEXURE 1 - SPECIFIC EXPERIENCE RELEVANT TO THE OPPORTUNITY AREA

Provide case study for an integrated project completed / on-going from the last 7 years, demonstrating specific capability requested. The case study should necessarily include:

1. Capability demonstrated
2. Client Name with Address
3. Existing client situation/ client context
4. Name of the APPLICANT/ CONSORTIUM MEMBER who was involved in this project
5. Project description done by APPLICANT / CONSORTIUM MEMBER (mention project name and details)
6. APPLICANT's or CONSORTIUM MEMBER's role & responsibilities in the project
7. Project start & completion date
8. Project Value in INR/USD
9. Contact person of client along with contact no. & e-mail id

10. Details on approach adopted, technology applications (proprietary, access to technology applications, implementation etc.), resources deployed, etc.
11. Outcomes (e.g. Development outcome, Brownfield developments, etc.)
12. Other remarks (e.g. contractual details, partnerships, sub-contractors, etc.)
13. Technical/Managerial capabilities deployed
14. Local base for support/service etc.

3. Quality, Health, Safety and Environment (QHSE): APPLICANT (Bidder/all members of the consortium) must have a comprehensive Health, Safety and Environmental Management system in place.

- APPLICANTS ARE REQUESTED TO SUBMIT THE FOLLOWING DOCUMENTS RELATED TO HSE:
 1. Quality and HSE Management System/ HSE Policy, HSE Manuals, procedure and sample HSE plan for similar nature of job.
 2. HSE statistics – fatality rate, LTIFR etc for the last 5 years
- SPECIFIC EXPERIENCE RELEVANT TO THE OPPORTUNITY AREA
Provide case study for an integrated project completed / on-going from the last 7 years, demonstrating specific capability requested. The case study should necessarily include:
 1. Capability demonstrated
 2. Client Name with Address
 3. Existing client situation/ client context
 4. Name of the APPLICANT/ CONSORTIUM MEMBER who was involved in this project
 5. Project description done by APPLICANT/ CONSORTIUM MEMBER (mention project name and details)
 6. APPLICANT's or CONSORTIUM MEMBER's role & responsibilities in the project
 7. Project start & completion date
 8. Project Value in INR/USD
 9. Contact person of client along with contact no. & e-mail id
 10. Details on approach adopted, technology applications (proprietary, access to technology applications, implementation etc.), resources deployed, etc.
 11. Outcomes (e.g. Development outcome, Brownfield developments, etc.)
 12. Other remarks (e.g. contractual details, partnerships, sub-contractors, etc.)
 13. Technical/Managerial capabilities deployed
 14. Local base for support/service etc.
- DOCUMENTS TO BE FURNISHED IN THE TENDER FOR PRE-QUALIFICATION
 1. Letter of interest from the APPLICANT on their letter head.
 2. In case of bidding as a consortium, the division of the scope of work shall be submitted along with a Memorandum of Understanding (MoU)/declaration of intent.
 3. Technical capabilities details as listed in Pre-qualification criteria 2 (Integrated Development capabilities)
 4. Financial performance documents as listed in the Pre-qualification criteria 1 (Financial performance)
 5. Details of relevant projects, for each capability, as requested in Pre-qualification criteria 2 (Integrated Development capabilities) in last 7 years (As per Point 3 (ii)). Details above to include -
 - a. Number of Horizontal and Deviated wells developed (drilling, testing, well completions artificial lift installation and associated well services)

- b. Instances of having executed Reservoir Management techniques in Oil reservoirs
- c. Reference client list for integrated Oil projects completed/under execution for clients of international repute
- d. Number of proprietary/patented technology developed in the O&G domain (sub-surface, drilling, artificial lift etc.) and instances of its implementation in Oil reservoir

- 9. Detailed company information with organizational structure, list of manpower with CVs of key personnel, capital equipment, India support base.
- 10. Complete administrative details of your company such as but not limited to nature of legal entity, registration details, office and site locations etc.
- 11. Specific execution strategy outlining engineering and procurement.
- 12. List of current contracts under execution with value of contracts and percentage completion
- 13. Experience of working in onshore locations
- 14. Support base in India/ Asia for future service requirements
- 15. Details of Technical/ Managerial resources that will be allocated to this project (name, designation, experience, office location etc.)
- 16. List of proprietary/ patented technologies in Oil & Gas domain developed and implemented
- 17. List of litigations in last 5 years, if any
- 18. Declaration specifying that the APPLICANT is not under liquidation, court receivership or other similar proceedings
- 19. Any other documents in support of APPLICANT's credentials and experience and expertise, relevant to Cairn Oil and Gas's opportunity areas

The interested contractors should evince interest to participate in the Expression of Interest by clicking on the "**Evince Interest**" link against EOI listing on the Cairn website i.e. <http://www.cairnindia.com> within 14 days from this publication and submit their contact details online. Further to this, interested contractors would be invited to submit their techno-commercial bids via Smart Source (Cairn's e-Sourcing Platform).

NOTE: The subject EoI will replace the following EoIs:

- 1. "GLOBAL EXPRESSION OF INTEREST FOR INTEGRATED DEVELOPMENT SERVICES FOR DRILLING & COMPLETION OF WELLS IN MBA FIELD WITHIN RJ-ON-90/1 BLOCK" published on April 28, 2020
- 2. "GLOBAL EXPRESSION OF INTEREST FOR INTEGRATED DEVELOPMENT SERVICES FOR 5 ADDITIONAL WELLS OF AISHWARIYA BARMER HILL FIELD WITHIN RJ-ON-90/1 BLOCK" published on March 03, 2020