

Sun Petrochemicals Private Limited

(SunPetro)

Commercial & Supply Chain Management

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No. SunPetro/Gujarat/Onshore/IDS/2022-23/SPPL-134/Bulletin-3

Date: 16-11-2022

BULLETIN#3

Sub: Hiring of Rig for Integrated Drilling Services on Callout basis for Onshore Oil & Gas Fields.

Ref: Tender No.: SunPetro/Gujarat/Onshore/IDS/2022-23/SPPL-134

Sun Petrochemicals Private Limited (SunPetro), hereby authorized following amendment / clarification in the above referred Tender:

Sl. No	Annexure, Clause Reference	Bidder Query	SunPetro Response
1.	Page No. 5, Clause 1.1. Salient Features of the Tender: Sr. No. 9: Tender Closing Date & Time / Bid Submission Date	Bidder requested to extend the last date of bid submission.	Tender Closing / Bid Submission Date & Time has been extended upto 05th December 2022; 1500 Hrs IST.
2.	Page no 4 of 140 Clause 1.1 (3) Scope of work SunPetro intend to hire Rig for Integrated Drilling Services for 3 years on call out basis. The envisaged numbers of well with no firm commitment is around 10 wells. Sunpetro reserves sole discretion to increase / decrease no. of wells as per its work program with no liability whatsoever.	<ul style="list-style-type: none"> Kindly clarify, how many no of callout will be issued to carry out the integrated drilling services? Minimum work commitment, number of well, may please be conveyed may please be conveyed. The work program under the contract shall be arranged as firm/continuous instead of callout. Since this the scope under this tender contains ~10 wells, we request SUNPETRO to arrange a schedule and issue a single callout with firm period so as Rig and other required services can mobilized and can complete all the tendered work scope in one go without any breaks. 	IDS will be call out as and when requirement by the company. Further Company will decide the minimum well to be drilled and the sequence as per the requirement.
3.	Page no 4 of 140 Clause 1.1 (6) Bid Bond / Bid security	It is observed that as per the tender documents, bidder is required to submit a Bid Bond valuing INR 15 lakhs. In this	As per tender

		<p>connection, most humbly, we submit that in our case, submission of bid bond may not be insisted as it is not in our company policy; we only issue the Bid bonds for Public sector companies only.</p> <p>However, we undertake to submit Performance Bank Guarantee as per the tender conditions, in case work is awarded to us. A favorable confirmatory response to above is solicited.</p>	
4.	<p>Page no 12 of 140 2.12 Splitting of work The Company shall have a Right to split the work /supply between two or more bidders at its sole discretion.</p>	<p>Kindly clarify, how the splitting of work will be done, if company wishes to split the work / supply.</p>	<p>The clause is self explanatory. SunPetro reserves right to split the work/supply between two or more bidders at its sole discretion.</p>
5.	<p>Page no 13 of 140 2.15 Performance Bank Guarantee The Successful bidder shall furnish to Company, a Performance Bank Guarantee for 10% of the estimated annualized Contract value within 15 days.....</p>	<p>We propose that the performance bank guarantee shall be submitted after the receipt of callout order for amount of 10% of the Call-out value or annualized contract value, whichever is lower.</p>	<p>As per tender</p>
6.	<p>Page no 13 of 140 Mobilization Period / Completion Period Time is essence of the Contract and Contractor shall / perform the Work and Services diligently in accordance with the Bidder's promised / Mobilisation period /Completion Period as set forth in Delivery schedule or agreed for any additional work / services / Supplies.</p>	<p>Kindly suggest the company's tentative / projected date of commencement of project.</p>	<p>Mid 2023.</p>
7.	<p>Page no 14 of 140 2.22 Singing of Contract: The successful Bidder shall be required to sign a Contract (hereinafter referred to as the Contract") as per the Model Contract attached herewith within 30 days from issuance of LOI/LOA.</p>	<p>The applicable stamp duty to execute the contract / on Contract document shall be paid by the Company.</p>	<p>Stamp Paper will be provided by SunPetro for Contract signing.</p>
8.	<p>Page no 14 of 140 2.24 Indicative Non-Binding Project Information:</p>	<p>Kindly confirm the number of Rig requirement. In the said clause, it is mentioned that only 1 no of Rig is required for Drilling integrated services, whereas in clause</p>	<p>2 nos of Rigs requirement, but the mobilization will be decided by the company as per the requirement.</p>

	<p>Company has planned to hire one Rig for Drilling Integrated Services for drilling operations in various blocks of SunPetro located in Gujarat. Company shall have the right to deploy the hired rig at any location for drilling exploratory / development wells within the capacity of the rig</p>	<p>4.2.1/4.2.2 of scope of work for integrated drilling services (page no 50 of 140), it is mentioned as 2 no of rig packages are required to drill / carryout drilling operations.</p>	
9.	<p>Page no 22 of 140 3.2.1 Primary term of this contract will be 3 (Three) years from the "commencement date" with a provision to extend for 1(one) more year on same rate, terms and conditions. The term of the extension period shall be automatically extended till completion of ongoing well at the end of extension period.</p>	<p>We kindly request that the work program under the contract shall be arranged as firm/continuous instead of callout. Since this the scope under this tender contains ~10 wells, we request SUNPETRO to arrange a schedule and issue a single callout with firm period so as Rig and other required services can mobilized and can complete all the tendered work scope in one go without any breaks. As for the period of 3 year + extension if any, contractor cannot keep its Rig / manpower and equipment in ideal condition.</p>	As per tender.
10.	<p>Page no 25/26 of 140 D. Termination for Convenience Company shall have a right to terminate the Contract in whole or in part, at any time with fifteen (15) days prior written notice thereof to the Contractor. Upon any such termination the Contractor irrevocably agrees to waive any and all claims for damages, compensations, including loss of anticipated profits, on account thereof, and as the sole right and remedy of the Contractor, Company shall pay the Contractor in accordance with Price Schedule mentioned in the Contract for the work / services performed by the Contractor till the date of such termination as well as demobilization charges.</p>	<p>We request Company to review its position as per industry practice. Adherence to this clause makes project very risky for bidder. It is submitted that Scope of Work and Specifications stipulated under the instant tender are Integrated. In order to comply with the tender requirements, to perform the integrated services and to procure the material, heavy investment on part of Contractor are required. Presently, banks are not financing E&P projects and hence all investments are to be borne by Contractor from its internal resources only. In the event of pre-mature termination of Contract, all additional investments made by Contractor will be redundant putting Contractor to a great loss. Hence, in order to minimize risk of Contractor, it is necessary that standby/ non-operating day rate etc., for balance period of Contract shall be given as compensation to Contractor in the event of the pre-closure of contract for any reason whatsoever.</p> <p>Accordingly, keeping view of above, we hereby propose that, in case of termination by Company by any reason as stated</p>	As per tender.

		<p>under the said article, the company shall be liable to pay the contractor as per below:</p> <p>(a) all sums properly due to the Contractor for the work done under the Contract up to the date of termination and</p> <p>(b) The Demobilisation Fee for all items as provided under the contract including the equipment and manpower.</p> <p>(c) Early termination fees equivalent to 50% of standby rates for balance period of contract.</p>	
11.	<p>Page no 26 of 140</p> <p>E. Termination for non-performance or non-satisfactory performance</p> <p>Consequences of Termination:</p> <p>Upon termination of Contract by Company under this sub-clause, the Contractor shall be entitled to payment for the work successfully completed and certified by the Company Representative till the date of Termination. <u>Further, the Company shall be entitled to take possession of the Work and finish the Work at the risk and cost of the Contractor by whatever method Company deems just and expedient. Unless otherwise provided in the Contract, the Contractor shall compensate the Company for all losses, expenses etc. the additional expenses which the Company shall sustain on account of such breach by the Contractor.</u></p>	<p>Company shall not be entitled to take the possession of any equipment of contractor.</p>	As per tender
12.	<p>Page no 26 of 140</p> <p>Clause 3.7.4 De-hiring:</p> <p>Company may, at its option, de-hire the services of the Contractor due to interruption in the work / unit programme, by giving five (5) days written notice to the Contractor and during this period applicable charges for equipment and personnel etc. shall be payable by Company. However, unless notice directs otherwise, contractor will take immediate</p>	<p>We understand that contractor shall be entitled for the demobilization charges in case of de-hiring.</p> <p>Also company shall be entitled to pay mobilization charges, if sunpetro issues notice to mobilize the Rig / services again.</p>	As per tender

	action to demobilize the personnel, machines and other equipment immediately. SunPetro may call the Contractor along with the whole setup by issuing fifteen days' notice to mobilize again		
13.	Page no 28 of 140 Clause 3.8.2.5 Hazardous Waste shall be sorted out & disposed as per the Pollution Control Board norm as applicable by the Contractor at their own cost.	Kindly clarify, the said clause scope includes the disposal of formation cuttings & produced oil?	Disposal of cutting at well site location only.
14.	Page no 29 of 140 Clause 3.9.2 any dispute..... Unless otherwise agreed in writing, the arbitration shall be held at Mumbai, India. The parties shall equally bear the cost of arbitration.	The seat of arbitration shall be Ahmedabad, India.	As Per Tender
15.	Page no 30 of 140 Clause 3.11 Liquidated Damages	The liquidated damages shall be applicable as "half percent (½%) per week on pro rate basis of late completion of work / delayed delivery of work up to a maximum of five (5%) of the estimated annualized contract value or callout order. However, delay in mobilization will attract half percent (1/2%) per week of late mobilization on pro rata basis up to a maximum of five percent (5%) estimated annualized contract value or callout value.	As per tender
16.	Page no 30 of 140 Clause 3.11.2 If Contractor is not able to provide any type of material or services on time, delay in rig repair to non-availability..... penalty, half percent (1/2%) for each week on pro rata basis of late completion of work / delayed delivery of work up to a maximum of Ten percent (10%) of total value of on a well. Any delay period from 12 hours to seven days shall be considered as reduction of half percent (1/2%).	No penalty shall be imposed on contractor against the said clause as the contractor shall be already incurring the losses during these period.	As per tender
17.	Page no 31 of 140, Clause 3.13 APPLICABLE LAW All questions, disputes or differences arising under, out of or in connection with this	All questions, disputes or differences arising under, out of or in connection with this Contract and the relationship of the parties hereunder shall be governed by and interpreted in accordance with the laws of India (both procedural and	As per tender

	Contract and the relationship of the parties hereunder shall be governed by and interpreted in accordance with the laws of India (both procedural and substantive) and parties hereby agree to submit to the jurisdiction of the Courts in Mumbai / Mumbai, India.	substantive) and parties hereby agree to submit to the jurisdiction of the Courts in Ahmedabad, India.	
18.	Page no 32 of 140 3.17 INVOICING AND PAYMENT	<ul style="list-style-type: none"> We understand that the invoices shall be raised as per well basis, according to the completion of each milestone as mentioned at Note 8 of Section -7. Company shall release the invoice amount within 21 days from the date of submission of Invoice, and interest shall be applicable in case the payment is made / delayed after the 21 days from the date of invoice submission. 	As per tender.
19.	Page no 33 of 140 Clause 3.17.5 All payments to the Contractor under this Contract shall be made in the currency quoted by them or Indian Rupees to the Indian Bidders or United States Dollars to the Foreign Bidders.	The Indian bidders should also be allowed to quote their prices in US Dollars.	Indian Bidder to quote in INR.
20.	Page no 38 of 140 Clause 3.21 FORCE MAJEURE	<ul style="list-style-type: none"> The force majeure situation shall be considered, if in case, Contractor is not able to perform the contract due to any issues caused by the factors or natural calamity / pandemic / endemic as covered in force majeure clause and / or any instructions (i.e. lockdown or any other, which cause disruption in supply chain of man and materials) are given by the Government for Force Majeure, Force Majeure situations, starting from the date and time of invocation of force majeure notice to withdrawal of notice, shall be paid at 2/3rd of Non-operating rate for a period of first fifteen days, and if such Force Majeure lasts for a further period, then Contractor shall be paid at 1/3rd of the Non-operating rate. 	As per tender
21.	Page no 42 of 140 3.24.6 Limitation of Liability The total liability of the contractor shall be limited to 100% of the contractor value if no	<p>We hereby propose following modifications in the said clause:-</p> <p>The total liability of the contractor shall be limited to 50% of</p>	As per tender

	<p>fault by contractor. In case intentional damages, it would be 200% of the contract value.</p>	<p>the contractor value.</p>	
22.	<p>Page 46 of 140 FAILURE PENALTY Failure to provide Rig Manager and Tool Pusher /Night Tool Pusher: zero rate a) Failure to provide Driller, Chief Electrician, Chief Mechanic and Assistant Driller: Zero rate.</p> <p>NOTE: 1. The above penalty rates are applicable for the first five days. In case more than one key personnel are not available at a time, penalties applicable for such personnel will be levied simultaneously. 2. Beyond 5 days, the penalty will be levied at double the rates mentioned above for each day for non-availability of any key personnel. 3. Operation will be suspended and contractor will be paid for zero rates for non-availability of above key personnel.</p>	<p>Kindly suggest, how these penalty shall be applied in case of integrated drilling contract, as contractor shall be raising the invoice as per the price schedule i.e as lumpsum rates.</p>	<p>As per tender</p>
23.	<p>CIVIL WORK INVOLVEMENT: Company shall provide foundation for the standard rig equipment including hard standing and cement concreting areas, effluent pit provision etc. Any additional civil work involvement besides the standard indicated plinth area / civil work should be highlighted by the bidder in the technical bid.</p>	<p>Contractor shall be submitting the required civil foundation drawing along with its bid. accordingly, SunPetro has to prepare the site civil works.</p> <p>In case, Inter location movement is delayed and / or Rig is waiting for Civil work, standby rate shall be applicable.</p>	<p>As per tender.</p>
24.	<p>Page no 50 of 140 Clause 4.2.1 To drill onshore wells through hire of TWO (2) No. Drilling Rig of capacity 1000HP with associated equipment / tool..... & Clause 4.2.2 The Contractor shall provide the services of 2 (Two) no. of rig package along with all necessary equipment and</p>	<p>Kindly confirm the requirement of 1000 HP Drilling Rig requirement, contractor has to provide 1 no of Drilling Rig or 02 nos,</p>	<p>2 nos of Rigs requirement, but the mobilization will be decided by the company as per the requirement.</p>

	personnel		
25.	<p>Page no 51 of 140 Clause 4.2.10 Assistance in Other Services: Requirements as depicted in the drilling programme will be met by Company through other service provider including but not limited to Logging, Cementing, Mud Services, Directional Drilling, etc however Contractor to assist in all operations performed by service companies, if in other's scope.</p>	<p>Kindly clarify the said clause.</p> <p>Does bidder has to quote for all the services i.e. Logging, Cementing, Mud Services, Directional Drilling, etc or company will be deputing other services provider to carryout the mentioned services?</p>	As Per Contract/Price Bid Requirement.
26.	<p>Page no 61 of 140 Clause L1.1 wireless radio intrinsically – qty 6</p>	<p>We kindly request you to accept the below clause for providing the communication system at site, as the same is also being followed by PSU's like ONGC in their tender:-</p> <p>Contractor has to provide any two means of communication i.e. one for External Communication (outside field) and one for Internal Communication ((like paging, walkie-talkie & mobile phones shall be provided at strategic locations inside well site) mentioned below to ensure uninterrupted communication.</p> <p>WLL / FCT / Intrinsically safe mobile phone / Intrinsically safe walkie-talkie / any other communication system, suitable for oilfield for facilitating communications round the clock shall be provided by contractor along with license (if applicable). However, if required, SunPetro may also install its own communication system on the rig, for which contractor will have to provide space, electricity, facilitate in installation, commissioning and operation.</p>	Intrinsically safe mobile phone / Intrinsically safe walkie-talkie Agreed.
27.	<p>Page no 62 of 140 Note: Any Services/ tools/handling equipment/Running in equipment's/cross-overs, subs etc which required for drilling a well, which is not mention in above equipment list, if required contractor need to provide it.</p>	<p>Any Services/ tools/handling equipment/Running in equipment's/cross-overs subs etc which required for drilling a well, which is not mention in above equipment list, but required to be provided / deployed at site shall be provided by contractor at the extra cost + applicable service / handling charges</p>	As per tender
28.	<p>Page no 74 of 140 Sr no 6 Inter-location movement of company's left over equipment</p>	<p>We confirm to include the transportation of material in our ILM Charges for maximum 1 Truck load.</p> <p>Transportation of material for more than 1 Truck load shall</p>	As per tender

		be charged at extra.	
29.	Page no 74 of 140 Sr no 7 Fuel and lubricants etc for all Drilling unit, vehicles & camp. Grease, cleaning solvent, oil for main engines	<p>We request your good office to kindly consider that HSD/Lube is a major component of the OPEX, and its price keeps fluctuating. Bidder will be submitting the prices based on the prevailing rate at the time of submission of bid. Since HSD/Lube, it is a major component of the Operating Expense, price variation has a major impact on quoted rates. Hence request Company to keep a provision of accommodating its variation (both increase / decrease) vis-a-vis quoted price.</p> <p>In this case we propose that Company shall include the following clause in the instant tender clause, as the same is also followed by ONGC, OIL and other PSU's.</p> <p><i>“Variation in the price of HSD both plus and minus after the date of Un-priced bid will be applicable as on 1^{sts} day of every month and such variation in price both plus and minus shall be regulated in the Monthly invoices. For the purpose of claiming the variation in rate of HSD, Contractor shall submit the necessary supporting documents like invoice from any Govt Oil marketing PSU, applicable in area of operation. Further, the contractor shall have to indicate the daily consumption of the HSD for Drilling Unit & all its equipment including Mud Treatment at the site in the DPR / IADC report.”</i></p>	As per tender
30.	Page no 78 of 140 Clause 18. Company has hired Logging and perforation services and its time will be included in the cost of Integrated Drilling Services. No extra payment for this time will be made.	We understand that the operating day rate shall be compensated to the contactor during the logging and perforation services.	As per tender
31.	Page no 78 of 140 Clause 19 Any extra waiting time (Apart from normal service time due to tool failure/ tool not working /fishing/ re-run) on Sun Petro's third party services like perforation & logging services shall be paid as “Standby charges”, if the total SunPetro time goes beyond 6 days of testing.	Any waiting period of contractor / waiting time on SunPetro's third party services shall be compensated as standby rate.	As per tender

32.	Page no 79 of 140 Clause 39 TCR & PDC bit will be provided by Sun Petro.	Kindly reconfirm the said clause in respect of sr no 18 of responsibility Matrix. At sr on 18, it is mentioned that the drill bit shall be provided by the Contractor. We propose the supply of drill bit and its nozzle shall be provided by SunPetro at their cost.	As per tender
33.	Page no 79 of 140 Clause 40 Bits required for drilling of wells shall be supplied by Company. However, it is the responsibility of Contractor for loading/offloading and to transport the same from Company's yard/Go-down.	The loading and transportation of bits from Company's yard/Go-down shall be arranged by Company. Contractor shall offload the drill bit at the site.	As per tender
34.	Page no 79 of 140 Clause 50. Drill bits and its all equipment/tools like nozzles, bit brakere, etc. shall be provided by Contractor as per the Agreed Bit program or Bit record as per reference well. Bidders need to give us confirmation for the Bit acceptance prior to commence Rig move.	Kindly reconfirm the said clause in respect of sr no 18 of responsibility Matrix. At sr on 18, it is mentioned that the drill bit shall be provided by the Contractor. We propose the supply of drill bit and its nozzle shall be provided by SunPetro at their cost.	As per tender
35.	Page no 79 of 140 Clause 51. Drill bit selection, Drill Bit Nozzles selection shall be decided by contractor on basis of optimize drill bit hydraulics and formation data.	Drill bit selection, Drill Bit Nozzles selection shall be decided by SunPetro on basis of optimize drill bit hydraulics and formation data.	As per tender
36.	Page no 79 of 140 Clause 52. Optimize Drill Bit Hydraulic shall be calculation by contractor and provide to Sunpetro.	Optimize Drill Bit Hydraulic shall be calculation by Sunpetro and provide to Sunpetro.	As per tender
37.	Page no 80 of 140 Clause 56. Dedicated AC four-wheeler for 24x7 for Sunpetro representative shall be provided by Contractor. Vehicle shall be maintained and provide to the satisfaction of Sunpetro Representative. Vehicle provided shall not be older than two years.	The same shall be provided by SunPetro, at their cost.	As per tender
38.	Page no 80 of 140 Clause 61. Contractor shall confirm their Third Party Technical Service Providers name for	Contractor shall provide their Third Party Technical Service Providers name for cementation, Drilling Fluid, Logging, Directional Drilling, in Technical Bid.	As per tender

	cementation, Drilling Fluid, Logging, Directional Drilling, in Technical Bid.	However, subcontractor as proposed in technical bid may be replaced at the time of bid mobilization of services. Prior consent towards the same shall be obtained from SunPetro.	
39.	Page no 81 of 140 Clause 75. Separate Vehicle . Mahindra Bolero (AC)Jeep need to provided 24 hrs to Company man.	The same shall be provided by SunPetro, at their cost.	As per tender
40.	Page no 50 of 140 Clause 4.0 , • Special EOR treatment (if required) Completion with 2 7/8: tubing and PCP/ESP pump	<ul style="list-style-type: none"> Special EOR treatment (if required) – shall be provided by SunPetro. Completion with 2 7/8: tubing and PCP/ESP pump- Contractor shall be carrying out the completion with 2-7/8” tubing. Required tubing PCP / ESP and other material shall be provided / supplied by SunPetro.	As per tender. Material will be provided by company.
41.	Page no 56 of 140 / 113 of 140 B 5.0 Drilling line	We kindly request that the drilling line of 1-1/4” or 1-1/8” may please be accepted.	Bidder can specify in technical specification sheet.
42.	Page no 74 of 140 Sr no 2.2 Fooding and Housing of all Sunpetro representative at well site as mutually approved and required by Sunpetro Company Man and Rig Co-Ordinator	We understand that Fooding and Housing has to be provided for only 1 No of SunPetro’s representative. Kindly confirm	Kindly check the general terms & condition and responsibility matrix.
43.	Page no 74 of 140 Sr no 14 Tubing, sucker rod and other handling equipment required for PCP/ESP/ SRP Completion.	We request that the supply of the Tubing, sucker rod and other handling equipment required for PCP/ESP/ SRP Completion shall be kept completely under the scope of SunPetro.	As per tender
44.	Page no 74 of 140 Sr no 15 Consumables not designed/mentioned but required by contractor for operations or needed for the maintenance of contractors all equipment.	We understand that SunPetro shall be compensating contractor as actual cost of item + 5 % additional service / handling charges against the mentioned responsibility.	As per tender
45.	Page no 75 of 140 Sr no 18 TCR and PDC Drill bits and its Nozzles as per Bit program or Reference well data.	We understand that the TCR and PDC Drill bits and its nozzle shall be provided by company as mentioned in the scope of work of the instant tender.	As per tender
46.	Page no 75 of 140 Sr no 19 Installation of well head and X mas tree	The supply of well head and X mas tree shall be under the scope of SunPetro.	Agreed. Supply is from SunPetro, installation is from Contractor.

47.	Page no 75 of 140 Sr no 23 Equipment & services (Integrated Packages) not designed/mentioned but required by contractor in normal day today operations on Callout basis	We understand that SunPetro shall be compensating contractor as actual cost of item + 5 % additional service / handling charges against the mentioned responsibility.	As per tender
48.	Page no 75 of 140 Sr no 26 All equipment required for Drilling a well in Integrated Drilling contract, which include surface & Down hole Lost In Hole. All Lost In Hole of surface and down hole equipment in Contractor's scope.	We understand that Sunpetro shall compensate the charges to the contractor for the Lost in hole items.	As per tender.
49.	Page no 75 of 140 Sr no 27 Maintenance of well site & camp site facilities including Supply of potable water and drinking water for persons working at site.	Maintenance of well site and camp site facilities shall be kept under the scope of Sunpetro. Contractor shall be providing the portable water and drinking water for the persons working at site.	As per tender.
50.	Overall	Form the tender documents, it is understood that the following services / supply shall be taken care and under the scope of SunPetro. <ul style="list-style-type: none"> • Supply of Casing & Tubing along with its accessories. • Tubing Running Services, • Supply of bits, • Waste Management • Fishing and Milling Services • Well head & X max Tree • Hydro-factruring • Logging & perforation • Civil works as required at site. • Coring Well completion / Completion services.	As Per tender.

All other terms and conditions of tender remains unchanged.

Regards

Sun Petrochemicals Pvt. Ltd.