



Tender Documents

Name of the Commercial Public Tender (hereinafter referred to as "Tender"):

"Providing of the directional drilling services for years 2014 - 2017"

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A. INSTRUCTIONS FOR BIDDERS

A.1 GENERAL INSTRUCTIONS

A.1.1 Identification of the Tender promulgator:

Name of the organization:	NAFTA a.s.
COMPANY ID No.:	36 286 192
VAT ID No.:	SK2022146599
Company registered office:	Votrubova 1, 821 09 Bratislava
Registered in:	Commercial Register of the District Court Bratislava I, Section Sa, File No. 4837/B
Country:	the Slovak Republic
Contact person:	Mr. Jaroslav Kuník
Telephone:	+421 34 693 4681
Fax:	+421 2 4024 2516
E-mail:	directional.drilling@nafta.sk
Internet site:	www.nafta.sk

A.1.2 Subject of the Tender:

Services related to realization of directional drilling for deviated wells, including necessary equipment (e.g. MWD, LWD, downhole motors, needed transitions, etc.) and personnel. Outlined configurations for individual sections of bore have to guarantee safe and high-speed drilling under conditions described thereafter.

For needs of directional drilling is needed to provide:

- 1.2.1 All the equipment what are necessary for directional drilling and operating staff level, by means of which it is able safely direct and regulate drilling according to entered requirements for the bores, as it is further determined in the part C-*"Description of Selection procedure's Subject"*;
- 1.2.2 Calculation of expected values on drill-hole hydraulic, torsion moment and tensile load at individual sections of drilling;
- 1.2.3 Calculations of the drill trajectory routing according to entered coordinates above ground and to expected target;
- 1.2.4 Detailed description of individual instrument configurations with listed diameters (ID a OD), lengths and weights;
- 1.2.5 Elaboration of daily reports on drill trajectory routing and progress of work minimally once (1x) in a day.

Exact determination of the selection procedure subject composes the article C *"Description of Selection procedure's Subject"*

Services will be applied for the following wells:
Suchohrad 67, Záhorská Ves 4 & 6 within the year 2014.

Note: Designs of wells planned for the next three years are not well-known today but the service company will be knowledgeable with the relevant data of them in time.

A.1.3 Type of contract:

The Frame Contract for the providing of the services of which the draft is mentioned in the Annex No. 2 of these Tender Documents.

A.1.4 Place and date of providing of services:

The place and the date of providing of the services will be as follows:

Suchohrad 67	expected delivery term of realization: 08/2014
Záhorská Ves 4	expected delivery term of realization: 12/2014
Záhorská Ves 6	expected delivery term of realization: 08/2014

Note: The wells planned for the next three years (2015 – 2017) are not well-known today.

A.1.5 Evaluation of proposals:

Only proposals from bidders submitted in the manner and by the date pursuant to the tender call shall be evaluated.

The promulgator reserves the right to restrict the number of bidders after proposals are submitted and to invite the bidders determined in this way to individual negotiations about the terms and conditions.

The promulgator reserves the right to negotiate the proposal with the bidder in several consecutive rounds with the possibility to invite bidders to submit the updated quotation after each round of negotiations.

In case of several rounds of negotiations, the promulgator shall notify bidders in advance that the quotation they are going to submit shall be the final quotation.

A.1.6 Explanation and communication:

Any communication and provision of information among the promulgator and bidders shall be carried out in writing or electronically. Address for written communication is provided in Point A.1.1 and e-mail address is directional.drilling@nafta.sk.

A.2 INSTRUCTIONS FOR THE PREPARATION OF THE PROPOSAL

A.2.1 Content of the price proposal:

The submitted proposal shall contain the documents in the following order:

1. Name and precise address of the bidder, Company ID and contact data of the person authorized to act on behalf of the bidder in contractual relationships for further negotiation about the terms and conditions.
2. Cover letter with declaration of the aggregate fixed price (filled in form Annex No.1).
3. The declaration of the bidder that it agrees with the Tender conditions determined by the promulgator, signed by a person authorized to act on behalf of the bidder.
4. Declaration of the bidder on veracity and completeness of all papers, documents, and data mentioned in the proposal.
5. Guarantees of economic and specialized skills for the required deliveries and works.
6. References on implemented comparable events for the past 3 years.
7. The draft contract filled in and initialed by the bidder which is an inseparable part of the tender documents, to express consent with its terms and conditions while the contract approval shall be subject to the approval process of the bidder.

A.2.2 Execution of the price proposal:

The bidder may submit only one proposal.

The proposal shall be executed for the entire subject of the Tender in the Slovak or Czech or English language.

The proposal shall be executed in writing using a typewriter, computer printer, a pen with indelible ink etc.

The proposal shall be bound in one piece without a possibility of arbitrary replacement of individual parts.

The proposal shall be signed by the statutory body of the bidder in compliance with the extract from the Commercial Register or the person authorized for such acting. The original of the document proving authorization of the person to sign the proposal shall be a part of the proposal in such case.

A.2.3 Validity of the price proposal:

The validity of the proposal shall be **by 31st December, 2017.**

A.2.4 Variant solution:

Submission of the variant solution is not allowed.

A.3 SUBMISSION OF PRICE PROPOSALS

A.3.1 Designation of covers with price proposals:

Bidders submit proposals in the sealed envelope as well as in electronic form (in .pdf format) on the memory device (CD, USB stick) on the post address of the promulgator. The envelope shall be clearly designated with an inscription **TENDER – PRICE PROPOSAL - DO NOT OPEN** and the Tender slogan "**Directional drilling 2014 - 2017**" while stating the registered office of the bidder (sender) and the registered office of the promulgator mentioned below.

A.3.2 Place and date of the price proposal submission:

The proposals shall be delivered to the address:

NAFTA a. s.

Filling room

900 68 Plavecký Štvrtok, 900

Slovak Republic

by 23rd May, 2014 till 12:00 a.m.

The proposals delivered after this hour shall be returned unopened to the bidder.

B. CONDITIONS OF PARTICIPATION

B.1 ECONOMIC AND FINANCIAL COMPETENCIES

Economic and financial competencies are being proved by the bidder by submission of the following documents and providing the following information:

1. An extract from the Commercial Register (presents a legal entity – enterpriser, natural person – entrepreneur entered in the Commercial Register),
2. Number of employees and professional structure of employees,
3. Financial situation and declaration – positive reference of the bank institution,
4. Declaration of the statutory representative of the bidder that no bankruptcy order was issued as at the date of the Tender calling, that it is not in liquidation and has no tax arrears registered.

B.2 TECHNICAL COMPETENCIES

Technical competencies shall be proved by the bidder:

- a. A list of implemented deliveries of the same or similar character implemented in the past 3 years by the bidder as the contractor is required.

C. DESCRIPTION OF THE SUBJECT OF THE TENDER

Expected designs of wells:

Type 1 – Deviated exploration wells planned for 2014 year:

Technical specification:

a) Suchohrad 67 well:

Well design:

	Drilled	Cased
Conductor	24"/23 m	24"/23 m
Surface	12 1/4"/401 m	9 5/8"/400 m
Production	8 1/2"/1480 mMD	6 5/8"/1480 mMD TVD 1450 m

KOP: 25 m below surface casing shoe

Build up rate: 1°/10 m

Max. inclination: 14.35°

Surface coordinates: altitude ca 146 m, west part of Slovakia.

	X	Y
Gauss - Krüger S42 Strip 3, Ellipsoid Krassovsky 1942 Pulkovo (S42)	5 366 358.59	3 639 391.46
WGS 84	16°52'53.0594`` E	48°24'51.8523`` N

Target point in the depth 1308 m TVD (1333.4 m MD):

	X	Y
Gauss - Krüger S42 Strip 3, Ellipsoid Krassovsky 1942 Pulkovo (S42)	5 366 487.19	3 639 228.61
WGS 84	16°52'45.2969`` E	48°24'56.1430`` N

Magnetic declination: 3.718° East Era: 08.2014

Operator (NAFTA a. s.) is to provide:

Drilling jars: Weatherford Dailey® Hydraulic Drilling Jar 6 1/2" (NC46 - 4" IF Pin x box)

Bits: 8 1/2" PDC bit, SMITH Int., MDSi716 LUBPX, nozzle 7 x 14/32", TFA 0.902 in² 4 1/2" Reg Pin

Mud:

Type: GLYDRIL® (M-I Swaco)

Density: 1100 – 1150 kg/m³ (depending on formation pressure)

NAFTA a.s., Votrubova 1, 821 09 Bratislava

Plastic viscosity: 20 – 25 mPas
YP: 25 – 30 lb/100ft²
Gel: 10` 5 – 10 lb/100ft²
10` 8 – 15 lb/100ft²
pH 10 – 11
Solid phase: < 8 %
CEC < 35 kg/m³
Max. temperature: 55 °C

BHA (NAFTA's equipment):

DC OD 6 ¼" ID 63 mm NC46 (4" IF) Pin x Box
HW DP OD 5" ID 3" NC50 (4 ½" IF)
DP grade G 13.3 lb/ft IEU NC38 (3 ½" IF)
DP screen Holes diameter 4 – 5 mm

Drilling Rig: GVS 30-70. Max. hook load 686 kN (70 mT)

Mud pumps: IDECO T 800, IDECO T 1000.

b) Záhorská Ves – 4 well:

Well design:

	Drilled	Cased
Conductor	24"/23 m	24"/23 m
Surface	12 ¼"/201 m	9 5/8"/200 m
Production	8 ½"/927 m MD	6 5/8"/927 m MD TVD 900 m

KOP: 25 m below surface casing shoe

Build up rate: 1°/10 m

Max. inclinations: 17.48° in azimuth 25.63°

Surface coordinates: altitude ca 144 m, west part of Slovakia.

	X	Y
Gauss - Krüger S42 Strip 3, Ellipsoid Krassovsky 1942 Pulkovo (S42)	5 363 036.39	3 639 979.64
WGS 84	16°53'17.6790` E	48°23'03.8844` N

Target point in the depth 810 m TVD (832.69 m MD):

	X	Y
Gauss - Krüger S42 Strip 3, Ellipsoid Krassovsky 1942 Pulkovo (S42)	5 363 177.49	3 640 047.32
WGS 84	16°53'21.1350` E	48°23'08.3692` N

Magnetic declination: 3.769° East

Era: 12.2014

Operator (NAFTA a. s.) is to provide:

Drilling jars: Weatherford Dailey® Hydraulic Drilling Jar 6 1/2" (NC46 - 4" IF Pin x box)

Bits: 8 1/2" PDC bit, SMITH Int., MDSi716 LUBPX, nozzle 7 x 14/32", TFA 0.902 in² 4 1/2" Reg Pin

Mud:

Type: GLYDRIL® (M-I Swaco)

Density: 1100 – 1150 kg/m³ (depending on formation pressure)

Plastic viscosity: 20 – 25 mPas
 YP: 25 – 30 lb/100ft²

Gel: 10` 5 – 10 lb/100ft²
 10` 8 – 15 lb/100ft²

pH 10 – 11

Solid phase: < 8 %

CEC < 35 kg/m³

Max. temperature: 41 °C

BHA (NAFTA`s equipment):

DC	OD 6 1/4"	ID 63 mm	NC46 (4" IF) Pin x Box
HW DP	OD 5"	ID 3"	NC50 (4 1/2" IF)
DP	grade G	13.3 lb/ft IEU	NC38 (3 1/2" IF)
DP screen	Holes diameter 4 – 5 mm		

Drilling Rig: GVS 30-70. Max. hook load 686 kN (70 mT)

Mud pumps: IDECO T 800, IDECO T 1000.

c) Záhorská Ves – 6 well:

Well design:

	Drilled	Cased
Conductor	24"/23 m	24"/23 m
Surface	12 1/4"/241 m	9 5/8"/240 m
Production	8 1/2"/1203 mMD	6 5/8"/1203 m MD TVD 1100 m

KOP: 15 m below surface casing shoe

Build up rate: 1°/10 m

Max. inclination: 30.48°

Surface coordinates: altitude ca 143 m, west part of Slovakia.

	X	Y
Gauss - Krüger S42 Strip 3, Ellipsoid Krassovsky 1942 Pulkovo (S42)	5 361 831.06	3 637 161.66
WGS 84	16°50'59.3766` E	48°22'27.1051` N

Target point in the depth 1025 m TVD (1116.02 m MD):

	X	Y
Gauss - Krüger S42 Strip 3, Ellipsoid Krassovsky 1942 Pulkovo (S42)	5 361 674.45	3 636 836.08
WGS 84	16°50'43.3809`` E	48°22'22.2910`` N

Magnetic declination: 3.744° East Era: 08.2014

Operator (NAFTA a. s.) is to provide:

Drilling jars: Weatherford Dailey® Hydraulic Drilling Jar 6 1/2" (NC46 - 4" IF Pin x box)

Bits: 8 1/2" PDC bit, SMITH Int., MDSi716 LUBPX, nozzle 7 x 14/32", TFA 0.902 in² 4 1/2" Reg Pin

Mud:

Type: GLYDRIL® (M-I Swaco)

Density: 1100 – 1150 kg/m³ (depending on formation pressure)

Plastic viscosity: 20 – 25 mPas

YP: 25 – 30 lb/100ft²

Gel: 10`` 5 – 10 lb/100ft²
10` 8 – 15 lb/100ft²

pH 10 – 11

Solid phase: < 8 %

CEC < 35 kg/m³

Max. temperature: 55 °C

BHA (NAFTA`s equipment):

DC OD 6 1/4" ID 63 mm NC46 (4" IF) Pin x Box

HW DP OD 5" ID 3" NC50 (4 1/2" IF)

DP grade G 13.3 lb/ft IEU NC38 (3 1/2" IF)

DP screen Holes diameter 4 – 5 mm

Drilling Rig: GVS 30-70. Max. hook load 686 kN (70 mT)

Mud pumps: IDECO T 800, IDECO T 1000.

D. PRICE PROPOSAL, INVOICING

D.1 METHOD FOR PRICE CALCULATION

1. The price for the subject of the Tender shall be set pursuant to Act of the National Council of the Slovak Republic No.18/1996 Coll. on Prices as amended.
2. The prices provided by the bidder shall be in EUR.
3. The bidder shall propose the price for the subject of the Tender in the following composition:

a/ the proposed contractual price VAT excl.,

b/ VAT rate and VAT amount,

c/ the proposed contractual price VAT incl.,

4. If the bidder is not a VAT payer, it shall provide the total proposed contractual price. It shall notify of the fact it is not a VAT payer (to be provided) in the proposal.
5. The bidder shall include all and any costs incurred in regard to the delivery of the subject of the Tender in the price.
6. The price mentioned in the proposal shall cover all costs related to the subject of the Tender – Annex No. 1 shall contain the total price for the subject of the Tender, i.e. the summary of all items including all other costs of the bidder.
7. The committee for the proposal evaluation may ask the bidder for clarification and justification of appropriateness of the proposed price.

D.2 INVOICING

The promulgator shall not provide advance payments.

The invoice maturity is within 30 days from the date of the invoice delivery to the registered office of the promulgator.

E. SUPPLEMENTARY CONDITIONS AND PROVISIONS

1. The tender documents shall be provided by the promulgator free of charge.
2. The promulgator shall reserve the right to change the Tender conditions or to cancel the Tender anytime. It shall inform the bidders on these facts.
3. The bidder shall not be entitled to compensation of costs related to the participation in the Tender.
4. Within the proposal evaluation the promulgator shall reserve the right to ask the bidders for explanation of the proposal or to verify some data and facts mentioned in the proposal.
5. No contractual relationship shall arise by the Tender closing and announcement of the Tender result.
6. The proposals shall not be returned to the bidders but they remain archived by the promulgator as a part of the tender documentation.
7. All documents and deeds submitted by the bidder to the promulgator shall be signed by the bidder, statutory body of the bidder or a member of the statutory body of the bidder or his/her representative who shall be authorized to act on behalf of the bidder in contractual relations. Authorization of this person shall be in compliance with the submitted documents on authorization to run business or a proxy.
8. The promulgator shall be entitled to select a proposal which is the most suitable while it shall not be obliged to inform on reasons of its decision. It shall also be entitled to refuse all submitted proposals.
9. The tender documents shall be subject to the trade secret without any time restriction.

F. LIST OF ANNEXES

Annex No. 1

Cover letter for bidders

Annex No. 2

Draft Frame Contract for the providing of the services.

Annex No. 1)

COVER LETTER FOR BIDDERS

Title: **Providing of the directional drilling services for years 2014 - 2017**

A. Bidder:

Title:

Address:

COMPANY ID No.:

Tax ID No.:

Authorized representative of the bidder

Tel.:Fax:

The price proposal for DD service with MWD directional equipment.

12 ¼" intermediate hole - 5 days drilling, 3 days Standby on the route and 3 days Standby on the location

	Object of performance	Price in EURO	Price EURO/day or unit	Days	TOTAL EURO
1.	Operation rate DD service with MWD directional for 12 ¼" section	Unit price in EURO/day			
2.	Standby Rate with MWD directional for 12 ¼" section	Unit price in EURO/day			
3.	MWD and DD technician operation rate	Unit price in EURO/day			
4.	MWD and DD technician Standby rate	Unit price in EURO/day			
5.	Maintenance or redress charge	Unit price in EURO/unit			
6.	Cabin and surface equipment	Unit price in EURO/day			

8 ½" production hole - 9 days drilling, 3 days standby on the route

	Object of performance	Price in EURO	Price EURO/day or unit	Days	TOTAL EURO
1.	Operation rate DD service with MWD directional for 8 1/2" section	Unit price in EURO/day			
2.	Standby Rate with MWD directional for 8 1/2" section	Unit price in EURO/day			
3.	MWD and DD technician operation rate	Unit price in EURO/day			
4.	MWD and DD technician Standby rate	Unit price in EURO/day			
5.	Maintenance or redress charge	Unit price in EURO/unit			
6.	Cabin and surface equipment	Unit price in EURO/day			

DD service with MWD directional is understand that included all needed equipment for BHA e.g. dog sub, downhole motor, MWD directional equipment, NMDC, NM under gauge string stabilizer, orienting sub, pulser sub, string stabilizer, etc.

Rate included 1 piece of equipment and its back up.

Abbreviations:

DD – Directional Drilling

MWD – Measuring While Drilling

Note: the unit rates mentioned above will be valid during all the period of the Frame Contract validity, i.e. from 2014 to 2017.

We concurrently hereby confirm that the data provided in the remaining annexes to the proposal shall serve as binding documents for evaluation of our proposal.

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Seal and signature of the bidder's representative