DEPARTMENT OF NATURAL RESOURCES

3/27/15

BID PROPOSAL

431-PA15-007

ABANDONMENT OF OILFIELD SITES

Southeast Pass Field

Section 000, Township 000, Range 000

Plaquemines Parish

Bid Opening Date: 4/30/2015

NOTICE TO BIDDERS

Sealed bids will be opened and publicly read by the Department of Natural Resources, 617 North 3rd Street, 12th Floor, Room 1260, Baton Rouge, Louisiana at **11:00 A.M.** on **April 30, 2015** for the following:

Bid Proposal Number: ***431-PA15-007***

Section 000, Township 000, Range 000 of Plaquemines Parish is subject to jurisdiction of the Lafayette District Office.

NOTE: A one-time MANDATORY SITE VISIT will be held on Thursday, April 16, 2015 at 9:00 AM. Pre-registration is required. To pre-register, contact Wayne Simar at 337-262-5777ext203 by 4:00 P.M., Tuesday, April 14, 2015.

* This signed statement certifies that the Contractor has visited the job site and is familiar with all conditions surrounding fulfillment of the requirements for this project. Failure to complete or return this certification will cause the bid to be disqualified.

Company Name (Contractor)	Signature (Contractors Representative)
Department of Natural Resources Agency Name	Signature (Agency Representative)

This bid is being solicited under the provisions of the Louisiana Oil Field Site Restoration Law (Act 404 of 1993). Only bidders on the approved list of contractors (referenced in Act 404) at time of first public notice of solicitation shall be considered.

Bidder agrees bid shall be good for a period of sixty (60) calendar days of the bid opening.

The successful bidder (contractor) will be required to execute a performance bond or deliver a letter of credit in the full amount of the contract.

Bidder must return entire bid proposal package with signature pages and with exceptions noted. Bidders must use the specified forms available in the bid proposal package. Bids must be filled out with ink or typewritten and signed in ink. Any alteration, erasure or correction must be initialed by signer of the bid, failure to do so may cause your bid to be rejected.

Bid must be returned in **Special Bid Envelope. Bidder is to include company name and complete return address on the outside of bid envelope.** In the event of bulky material, the **Special Bid Envelope** must be firmly affixed to the mailing envelope.

BIDS MUST BE HAND DELIVERED WITH RECEIPT GIVEN OR SENT BY REGISTERED OR CERTIFIED MAIL (WITH RETURN RECEIPT). BIDDER SHALL ASSUME FULL RESPONSIBILITY FOR TIMELY DELIVERY TO THE LOCATION DESIGNATED ON THE BID RETURN ENVELOPE FOR RECEIPT OF BIDS.

PROPOSAL NUMBER: 431-PA15-007
BID OPENING DATE: April 30, 2015

Dept. of Natural Resources
Purchasing Section
617 N. 3rd St., 12th Floor, Room 1271
Baton Rouge Louisiana 70802

PROJECT: Furnish all labor, materials, tools and equipment necessary for the Project as per plans, drawings and specifications prepared by the agency.

The undersigned, in compliance with your invitation for bids for the project listed above, having examined the specifications and related documents, inspected site and being familiar with all of the conditions surrounding the fulfillment of the contract, hereby proposes to furnish all labor, materials, tools and equipment necessary to complete the above referenced project within the time set forth herein and for the price stated below.

The Lump Sum Total Price stated shall include all permits and governmental fees, licenses, and inspections, and all sales, consumer use and taxes of any other nature or kind whatever arising from or pertaining to the work or portions thereof provided by the contractor which are legally enacted at the time bids are received, whether or not yet effective.

BASE BID: I/We propose to furnish all materials and perform all work as described in the specifications and related documents for the sum of:

LUMP SUM TOTAL $_____ _____
(WORDS AND FIGURES)
See: (Enclosed Page for BREAKDOWN OF LUMP SUM TOTAL)

COMPLETION DATE: The undersigned guarantees completion of project as per base bid in _____calendar days.

NOTE: Where so indicated by the makeup of the bid form, sums shall be expressed in both words and figures, and in case of a discrepancy between the two the written amount shall govern.

LOUISIANA CONTRACTORS' LICENSE NO._____
NAME (PRINT OR TYPE)_____
TITLE (PRINT OR TYPE) _____

SIGNATURE_____
FIRM NAME_____
ADDRESS (Box)_____
(Physical)_____
CITY, STATE, ZIP_____
PHONE (_____)_____FAX (_____)_____E-MAIL _____

It is not necessary to return "NO-BID" packages for Plug & Abandon Bids.

IMPORTANT: IN ACCORDANCE WITH R.S. 37:2163A CONTRACTORS' LICENSE NUMBER MUST APPEAR ON THE BID OPENING ENVELOPE ON ALL PROJECTS IN THE AMOUNT OF $50,000.00 OR MORE (AND $1.00 OR MORE IF HAZARDOUS MATERIALS ARE INVOLVED). ALL BIDS NOT IN COMPLIANCE WITH THIS REQUIREMENT SHALL BE AUTOMATICALLY REJECTED AND NOT READ.
FOR ANY BID SUBMITTED IN THE AMOUNT OF FIFTY THOUSAND DOLLARS OR MORE, THE CONTRACTOR SHALL CERTIFY THAT HE IS LICENSED AND SHOW HIS LICENSE NUMBER ON THE BID. (Bids must be submitted under the name which the La. State Licensing Board for Contractors has issued the contractor's license. Do not submit under DBA names).

Bid proposal form, information and specifications may be obtained from the Purchasing Section, Dept. of Natural Resources, P.O. Box 94396 (or 617 N. 3rd Street, 12th floor, Room 1271), Baton Rouge, LA 70804, or by calling 225/342-4518 or 225/342-6397.

No bids will be received after the date and hour specified. The right is reserved to reject any and all bids and to waive any informalities.

Bidders may attend the bid opening, but no information or opinions concerning the ultimate contract award will be given at the bid opening or during the evaluation process. Bids may be examined after 72 hours of the bid opening. Information pertaining to completed files may be secured by appointment during normal working hours. Written bid tabulations will not be furnished unless requested.

NOTE: INCLUDE COMPLETE FIRM NAME AND RETURN ADDRESS ON THE BID RETURN ENVELOPE.

SIGNATURE AUTHORITY: In accordance with L.R.S. 39:1594 (Act 121), the person signing the bid must be:

1. A current corporate officer, partnership member or other individual specifically authorized to submit a bid as reflected in the appropriate records on file with the Secretary of State; or

2. An individual authorized to bind the vendor as reflected by an accompanying corporate resolution, certificate or affidavit; or

3. An individual listed on the State of Louisiana Bidder's Application as authorized to execute bids.

By signing the bid, the bidder certifies compliance with the above.

GENERAL CONDITIONS, INSTRUCTIONS, POLICIES AND PROCEDURES

ADDENDA: The contractor must attach all addenda to his bid or otherwise acknowledge the receipt of same.

WITHDRAWAL OF BIDS: The contractor agrees that this bid shall be good and may not be withdrawn for a period of sixty (60) calendar days after the bid opening.

AFFIDAVIT: Successful contractor shall be required to execute an affidavit attesting "THAT PUBLIC CONTRACT WAS NOT SECURED THROUGH EMPLOYMENT OR PAYMENT OF SOLICITOR" in compliance with Title 38, Section 2224.

CONTRACT, FINANCIAL ASSURANCE:

If the undersigned is notified of the acceptance of the above bid or bids, within thirty (30) days of the time set forth for the opening of bids, he agrees to execute a contract for the work accepted within ten (10) days after notice from the Dept. of Natural Resources.

The undersigned further agrees, if awarded the contract, either to execute and deliver to the Dept. of Natural Resources prior to execution of contract, a Performance Bond with Power of Attorney or to deliver a Letter of Credit in an amount equal to 100% of the contract amount, all as outlined in Attachment A.

In addition, to be provided at the same time is a labor and materials bond or a letter of credit in an amount equal to 100% of the contract amount, all as outlined in the Attachment A.

RECORDATION CERTIFICATE: Contractor shall upon receipt of executed contract, financial assurance documents and purchase order, record contract and financial assurance documents with the Clerk of Court in the parish in which the work is to be performed, obtain a Certificate of Recordation from the Clerk of Court and forward this Certificate immediately to the Department of Natural Resources. This certificate must be received before any invoices on this project can be processed. The expense for this is the responsibility of the contractor.

PAYMENT: Upon satisfactory completion of the work, the Contract Price shall be paid to contractor, minus the retainage (10% of Contract Price for projects <$500,000.00 and 5% of Contract Price for projects >$500,000.00).

ACCEPTANCE: Upon completion of the work to the satisfaction of the Dept. of Natural Resources, a Notice of Acceptance of Work will be executed by the Dept. of Natural Resources and forwarded to the contractor for recording with the Clerk of Court in the parish in which the work has been performed. Contractor shall furnish to the Dept. of Natural Resources a Clear Lien Certificate from the Clerk of Court (to the owner along with final invoice) forty-five (45) days after recordation of acceptance. Upon receipt, final payment of the retainage will be made.

NON-DISCRIMINATION: The Dept. of Natural Resources does not discriminate on the basis of race, color, gender, pregnancy, age, religion, national origin, veteran's status, military service, political affiliation, or disability; and requires its contractors, subcontractors, and suppliers to comply with this commitment.

MINORITY/WOMAN OWNED: If your organization is a Minority or Woman-Owned Enterprise, please send supporting documentation. This information is required for the purpose of reporting to Federal Funding Agencies. Send info. to: Dept. of Natural Resources, Purchasing Section, Attn: Raymond McKnight, PO Box 94396, Baton Rouge, LA 70804-9396 or e-mail: Raymond.McKnight@la.gov

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Section 1 INTRODUCTION

The Louisiana Department of Natural Resources (LDNR) needs one leaking orphan well plugged and abandoned in Southeast Pass Field. This site is located in: Section 000, Township 000, Range 000, Plaquemines Parish and is under the jurisdiction of the Lafayette District Office. Enclosed in this bid document are instructions to the bidders and other information pertaining to these sites.

Section 2 INSTRUCTIONS FOR BIDDERS/CONTRACTORS

1. The bid price shall be submitted as a **LUMP SUM** quote for the complete scope of work including, but not limited to:

   - Management / Supervision
   - Personnel
   - Equipment
   - Engineering
   - Mobilization and demobilization
   - Logistics relating to personnel, equipment, or any other costs associated with support services
   - Materials and supplies
   - Weather and local interference
   - Coastal Use Permit to be submitted to the Office of Coastal Management by awarded Contractor.

2. Bidders are to note that their lump sum bid shall be inclusive of any and all qualifications, clarifications, and/or exceptions the bidder may have. **Any qualifications, clarifications, or exceptions may disqualify the bid.**

3. All third party services utilized, equipment rented, or expendables used shall be paid directly by the contractor and included in the contractor's lump sum bid price.

4. Bidders shall take into account all salvage value on any equipment in their lump sum bid price. Additionally, bidders shall separately identify and place a value on each piece of salvage equipment on a well by well basis. The Department of Natural Resources will only assume the recovery of that surface equipment present on the site at the time of the site visit. Casing and tubing documented for each well in Section 6 under the heading of General Information will be assumed to be present but not guaranteed recoverable or saleable, therefore no value should be attributed to it. Any bidder who places a salvage value on such tubulars shall be solely responsible for recovery and merchantability thereof. The recovery of casing, tubing, pumps, sucker rods, packers, tubing hangers, and other downhole equipment is not warranted. All attempts to retrieve casing from the well must be done in accordance with the requirements contained in Item No. 27 of this Section. **NOTE: The contractor shall dispose of all salvaged equipment. See Item No. 42 of this Section regarding Navigational Aids.**

5. If a lienor requests a hearing, and it is there determined that the salvage value exceeds the cost to restore the site, LDNR reserves the right to cancel any contract under which it does not receive from the contractor adequate funds to be paid to such lienor.

6. **Bidders shall submit the name, address, phone number, Federal Tax ID number, and a description of the nature of the work for each proposed subcontractor.**

7. **LDNR does not have a contractual relationship with any subcontractors**. LDNR is not obligated to pay or see that a subcontractor is paid for the work he performs. The contractor is responsible for their subcontractor's acts or omissions.

8. Bidders are notified that no explosives shall be allowed while carrying out the scope of work, with the exception of down hole perforating or down hole tubular cutting requirements.

9. **Bidders shall submit their detailed proposed procedures to carry out the scope of work contained in this bid document.** Failure to do so may result in the bid being rejected.

10. Contractor is responsible for all mobilization and demobilization of personnel, equipment, materials, and supplies.

11. The contractor shall be responsible for the planning and execution of all site restoration and removals described in the scope of work.

12. The contractor shall be responsible for making their representatives and subcontractors familiar with the site conditions within the scope of work.

13. The contractor shall be responsible for **removing, testing, transporting, and disposing** of all hazardous and nonhazardous **oilfield waste**, equipment, and scope of work materials in a manner that complies with all federal, state, and local regulations.

14. The contractor shall at all times keep the premises free from accumulations of waste materials and debris. If any materials are determined to be hazardous, removal and proper disposal according to the Department of Environmental Quality standards is the responsibility of the contractor.

15. Prior to commencement of work, the successful bidder shall either execute and deliver a **performance bond** or deliver a **letter of credit** as exhibited in **Attachment 'A'**. The Financial Assurance Document shall reference the bid proposal number.

16. **No work outside the scope of the bid award may be performed unless approved by Change Order**. See **Section 3** for change order procedures.

17. **Within 10 calendar days of Notice of Award, an application must be submitted to obtain any and all joint permits for Coastal Use that may be required by the Coastal Management Division and Army Corps of Engineers. No work on this project may commence prior to obtaining Coastal Use Permit approval.**

18. **Prior to commencement of work**, the successful bidder shall obtain all applicable work permits to perform the scope of work from the appropriate District Office. **The successful bidder shall notify the appropriate District Office in writing at least 24 hours prior to commencement of work.** Failure to notify the District Office shall result in a $500.00 penalty to the successful bidder.

19. The **contractor shall be responsible for notifying the site landowners and/or lease holders** the **landowners and/or lease holders of any property used for ingress and egress** prior to the commencement of work. You must fill out the **landowner affidavit form** that will be provided with the contracts when a bid is awarded. The forms must be sent to the district with final paperwork once a job is complete (This may not always be possible, but a good faith effort must be made). The contractor shall notify the landowners at least 24 hours prior to commencement of work; however, acquisition of rights-of-way is unnecessary because the Act authorizes entry on land of another by the Secretary or his agents for site assessment or restoration.

20. If the contractor **fails to commence work** within the time specified in the "Notice to Proceed", the contractor may either be assessed a penalty of ½ % of the contract amount for each day work has not commenced or the bid will be awarded to the next low bidder. This will be at the discretion of LDNR. The dollar amount of the penalty shall be deducted from the 90% payment once the project is complete.

21. Once the work commences, there shall not be more than a 24 hour lapse in work without the written consent of the Commissioner of Conservation; with the exception of Saturdays and Sundays if the contractor does not plan to work weekends. If an unauthorized lapse of 24 hours or more occurs, the contractor shall be assessed a penalty of ½ % of the contract amount for each day work is not being performed. The dollar amount of the penalty shall be deducted from the 90% payment once the project is complete.

22. **Unless an extension is authorized** by the Commissioner of Conservation, if a contractor **fails to complete** the project by the completion date stated in the "Notice to Proceed", the contractor shall be assessed a penalty of ½ % of the contract amount for each day beyond the completion date until the job is satisfactorily completed. The dollar amount of the penalty shall be deducted from the 90% payment once the project is complete.

23. Once the project has begun, the **contractor shall be responsible for submitting a daily report** on all work performed. These reports shall be submitted **to both the Baton Rouge and appropriate District Office by fax each morning** by 9:00 AM for the work performed the preceding day. A copy of the daily report form to be used will be provided before the job starts.

24. All **well plug and abandonments and pit closures** shall be performed in accordance with LAC 43:XIX.Subpart 1 **(Formerly Statewide Order No. 29-B)** and all other federal, state, and local regulations applicable to this work, unless otherwise stated. The bidders are responsible to be aware and knowledgeable of all such regulations and to follow them accordingly. The successful bidder shall be required to obtain all permits from the applicable state and federal regulatory agencies necessary to complete the scope of work for this project.

25. All **cement plugs** placed in the wellbore(s) during plugging operations, unless otherwise required in **Section 6**, shall be blended neat slurries composed of API Class A or H cement, and having a minimum density of 15.6 pounds per gallon. API Class A cement may not be used in plugs placed at depths greater than 6000'. Dry and blended surface samples shall be provided to CES agent if requested.

26. All wells, when drilling or running or pulling casing or tubing, shall be in accordance with the Fifth Amendment to Statewide Orders No. 29-B and 29-B-a (Emergency Rule) or successor regulations with the proper size elements for the pipe being run. An exception to this rule may be requested via written correspondence to the Commissioner with a detailed explanation no later than ten (10) calendar days from the Notice of Award to the successful bidder. The BOP stack shall also allow full-bore access to the casing below. Unless otherwise stated, the BOP stack shall be rated to a minimum 3,000 psi working pressure.

27. **Unless otherwise stated, if casing is to be cut and removed** from the wellbore during plug and abandonment activity, a cast iron bridge plug (CIBP) shall be placed inside the casing to be cut, prior to cutting, 100' below the proposed cut depth. After the casing is removed, a bit and scraper run will be made to the top of the cut casing stub. A cement plug shall be placed in the wellbore from the CIBP to a depth 100' above the depth of the cut made on the casing. If the casing immediately inside the surface casing is to be cut, it may not be cut any deeper than a point at least 50' above the shoe of the surface casing.

28. **Water locations:** A site clearance verification survey of the well and facility location(s) in accordance with LA 43:XI.311 shall be required. Contact Mr. Michael Peikert, Engineering Division, Office of Conservation, at 225-342-5548 for further details concerning the Site Clearance and Verification application requirements. Additionally, location specific site clearance requirements are established by the Coastal Management Division. Contact Mr. Karl Morgan, Coastal Management Division, LDNR, at 225-342-6470 for further details. Trawling is the preferred method. The site clearance survey shall not extend onto private leases, without prior approval from LDNR.

29. Contractor is responsible for leaving site access ways in equal or better condition than prior to initiation of site restoration activity.

30. **Any pit constructed by the contractor** shall be registered with the Office of Conservation, Baton Rouge Office, by submitting a **Form UIC-15** as required by LAC 43:XIX.305.D. Contractor shall be required to close any such pit constructed in accordance with LAC 43:XIX.311 and 313.

31. Any pit closed in which the pre-closure soil analysis provided by LDNR does not meet LAC 43:XIX.311 and 313 closure requirements, a **confirmatory clean soil sample** and a **post-closure soil sample** shall be taken and analyzed for non-compliant constituent(s). The confirmatory clean soil sample shall be a homogenous, representative sample at the excavated surface. Should the sample analysis exceed the criteria outlined in LAC 43:XIX.311 and 313, excavation shall continue until either no contamination is encountered or the water table is reached. If the water table is reached prior to obtaining a clean sample additional remedial action necessary will be determined via change order. Both analyses shall comply with closure requirements before the project will be accepted and payments made by LDNR. Confirmatory clean soil sample and post-closure soil sample analyses shall also be performed on **all production facility containment areas closed** and shall also comply with the requirements set forth in LAC 43:XIX.311 and 313. For sampling purposes, pits and facility containment areas are to be divided into a ten square meter grid pattern with representative samples taken from each grid. Subsurface sampling intervals for facilities may be adjusted at a site to

accommodate site-specific information on subsurface contaminant distributions and in such cases will be included within the scope of work. Please note that all analytical tests submitted must be performed by Department of Environmental Quality (LDEQ) Louisiana Environmental Laboratory Accreditation Program (LELAP) accredited laboratories. Further, the laboratories must be accredited for each parameter and corresponding method referenced in the Department of Natural Resources (LDNR) lab manual entitled "Laboratory Procedures for Analysis of Exploration & Production Waste".

32. Upon completion of the project, contractor shall also file with the Office of Conservation, Baton Rouge Office, **Form ENG-16, Oilfield Waste Disposition**, indicating the disposition of all waste generated during the site restoration work. Copies of waste shipping manifests are required for all wastes transported off site for disposal.

33. It is the responsibility of the contractor while at the site visit to observe the condition of the wellhead and select the means by which entry into the tubing and casing strings can be accomplished. The contractor shall include in the bid price all costs associated with this operation, such as the need for additional valves, hot taps, etc.

34. In the event the project becomes lengthy, partial payments will be considered on a case by case basis. The same procedure for final payment will be followed.

35. Upon completion of the project, the **contractor shall complete Form P&A** and **Form WH-1** on each well plugged and abandoned and shall file same with the appropriate District Office. Additionally, contractor shall also submit any required pit closure data to the appropriate District Office.

36. Bidders may attend the bid opening, but no information or opinions concerning the ultimate contract award will be given at the bid opening or during the evaluation process. Bids may be examined after 72 hours of the bid opening. Information pertaining to completed files may be secured by visiting the Department of Natural Resources during normal working hours. Written bid tabulations will not be furnished unless requested

37. **Information in this document** was obtained from Office of Conservation well files and site inspections performed by Office of Conservation personnel; however, because the Office of Conservation does not warrant this information as accurate, bidders are responsible for verifying all well information, pit dimensions, waste volumes, equipment, and other site specific conditions. Bidders shall have the opportunity to gather information by attending a **mandatory site visit** as outlined on Page 2, herein. **Only bidders attending the site visit shall be allowed to bid on this project**. LDNR shall also allow the successful bidder to make pre-job inspection trips.

38. Should it be determined at any time during site restoration work that a well or site conditions vary significantly from those described in the bid proposal, the LDNR reserves the right to delete the site from the project and compensate the contractor for work performed up to the point the site was omitted from the project. This compensation shall be negotiated in good faith between the contractor and LDNR based upon reasonable industry standards or charges. In the event the price cannot be agreed upon, the Commissioner shall set a fair price for the work and materials at issue and his decision shall be binding upon all parties concerned.

39. Contractor agrees to indemnify and hold harmless LDNR from all liabilities and cost of defense obligations resulting from acts of negligence by the Contractor.

40. **The role of the LDNR personnel during the site restoration work is to ensure that work is being performed in accordance with the approved scope of work. LDNR personnel are not to provide any type of guidance or direction to the contractor or the contractor's subcontractors regarding the routes of ingress or egress to/from the wellsite.**

41. Contractors shall be responsible to ensure safe operations at all times and shall provide the proper materials, labor and equipment to safely perform the scope of work contained in this bid document. As the job requires, personal protective equipment for hearing, face, head, respiratory protection and fall protection shall be considered for use to protect personnel. Personnel and subcontractors should be properly trained in relation to their job duties. Additionally, pre-job safety meetings that include all affected personnel, including subcontractors, should be held to review responsibilities for the operations to be performed. Suitable fire-extinguishing equipment shall be on site during all operations. Telephone numbers, location, and other relevant information pertaining to availability of medical personnel, transportation, and medical facilities shall be available and a first aid kit shall also be on location. Any unsafe act/practice observed by an agent of the Office of Conservation during scope of work activities may result in the immediate cessation of work activities.

42. **ANY AND ALL NAVIGATIONAL AIDS THAT ARE ATTACHED TO ANY WELLSITE INCLUDED IN THE BID PACKAGE SHALL NOT BE TREATED AS A SALVAGEABLE ITEM. THE NAVIGATIONAL AID MUST BE CAREFULLY REMOVED AND RETURNED TO BOH BROS, CONSTRUCTION CO., INC. BY CONTACTING RALPH DIAZ AT (504)-821-0714.**

43. Any **questions relating to this bid** shall be submitted in writing to Matt Simon at P.O. Box 94275, Baton Rouge, LA 70804 or fax number 225-342-2584 or email matt.simon@la.gov by no later than 4:30 p.m. five consecutive days after the site visit. No other questions shall be allowed or answered after this time, without exception.

Section 3

CHANGE ORDER PROCEDURES

A Change Order consists of additions, deletions, or other revisions to the scope of work and may be requested or initiated by the contractor or LDNR. All requests for a Change Order shall be submitted in writing by the Contractor outlining specific factual conditions necessitating issuance of a Change Order. The Change Order shall be a lump sum quote to perform work that deviates from the specific procedures submitted in Item 4(a) of Section 5 necessary to complete the project. The Change Order quote shall include all costs necessary to complete the work covered by the Change Order, including all standby charges incurred during the Change Order approval process. Oral communication shall not be acceptable except in the case of an emergency where the proposed work must be performed immediately. No work relating to the requested Change Order shall be performed without a properly executed Change Order signed by the Contractor and the Commissioner of Conservation or in the event of an emergency verbal authority being granted by the Commissioner.

Except in the event of an emergency, the scope of work and if applicable the price, be it lump sum or time and material with a not to exceed figure, shall be entered on the Change Order form. In the event of an emergency, the contractor shall schedule a meeting with the Commissioner at the earliest possible time to discuss and agree upon a price for this change in work. Once a price is agreed upon, an Emergency Change Order shall be completed and signed by both the Contractor and Commissioner. In the event the price cannot be agreed upon, the Commissioner shall set a fair price for the work and materials at issue and his decision shall be binding upon all parties concerned.

Claims for extra compensation by the Contractor shall not be recognized and shall not be valid unless the Contractor has in his possession prior to the work being performed a properly executed Change Order form giving him the authorization to proceed with the extra work.

Section 4 **DEFINITIONS**

1. PROCEDURES: A detailed description of the work plan by which the contractor intends to carry out the scope of work.

2. LUMP SUM: A firm and inflexible quote that should allow for any unforeseen conditions that may alter or change the projected intent, the like of, but not limited to: procedures, schedules, methods, equipment, personnel, materials, and logistics.

3. THE WORK: The scope of work described in this bid document and included in the lump sum price.

4. CONTRACTOR: The successful bidder of a specific project.

5. CONFIRMATORY CLEAN SOIL SAMPLE: A homogenous, representative soil sample taken at the excavated surface of any pit or production facility containment area in which the pre-closure soil analysis provided by LDNR did not meet LAC 43:XIX.311 and 313 closure requirements.

6. ORPHAN WELL: A well which has been orphaned pursuant to the provisions of R.S. 30:80 et seq.

7. TANK BATTERY: An area allocated in the general proximity to well sites for the purpose of containing hydrocarbons and produced water in storage tanks. It is normally bordered by containment dikes/levees. A tank battery may or may not have existing storage tanks.

8. PITS: A natural topographic depression or man made excavation used to hold produced water or other E&P waste. See LAC 43:XIX.301 et seq. (Oilfield Pit Regulations)

9. SITE: The confines established for a specific well or group of wells and associated pits, tank batteries, and facilities.

10. SUBCONTRACTOR: Any individual, firm, partnership, corporation, or combination of the two or more firms or corporations acting jointly, that are bound contractually to the contractor to perform portions of this work.

11. COMMENCEMENT OF WORK: Physically and actively performing the scope of work contained in the bid document, such as closing a pit or plugging a well. This definition does not include moving equipment on to the location or "visiting" the location.

12. FACILITY: The aggregate of vessels, separators, heaters, tanks, treaters, etc. (commonly referred to as production equipment), utilized in the producing and processing of effluents from a well.

13. PLUG AND ABANDON: The date the well is cut and capped, or casing is cut at specified depth below mud line.

14. BOP TEST: This test is to verify the good working condition of the BOP. The hydraulic closure system on the preventers must be operational at all times. Pressure test to qualify integrity of BOP body, connection to wellhead, and seal of blind or pipe ram elements. A retest is required each time the BOP stack is removed and subsequently reinstalled on the well.

Section 5

INFORMATION BIDDERS ARE REQUIRED TO SUBMIT WITH BID PROPOSAL

1. This entire bid package.

2. Any addendum(s) related to this bid proposal.

3. If the procedures in the bid are to be utilized, this must be stated. **If procedures are altered or changed**, then these procedures must be submitted.

4. Contractor shall provide a **project schedule** outlining the following:

   (a) **Specific procedures** that he will perform in order to carry out the scope of work on the wells.

   (b) The number of **days expected to complete the work** on the wells and pits.

   (c) **Description of workday** hours and work week (ex. Monday thru Friday).

5. List of **subcontractors.** **(Section 2.6)**

6. **List of equipment** to be used on this project. All equipment brought to location shall be pretested and in good working condition and shall be rated to handle work anticipated based on depth and procedures.

7. **List of personnel** required to perform the scope of work.

8. Completed breakdown of lump sum total worksheet included in this bid document **(Section 7)**.

9. Signed **Attachment 'C'** indicating the Fifth Amendment to Statewide Orders No. 29-B and 29-B-a was included in the Bid Package and has been read.

10. Only the successful bidder will be required to submit a **current insurance certificate** at the time the bid is awarded. The certificate shall meet the requirements outlined in **Attachment 'B'** and shall reference the bid proposal number.

Section 6 **SCOPE OF WORK**

A.	**Well Name**	**Well Serial Number**	**Operator of Record**
	4800 RA SUA; SL 9646 # 001	**200174**	**Masters Resources, LLC (OC M222)**

General Information:
Location: Section 000-T000-R000
GPS: Lat; 29 Deg, 06 Min, 11.6 Sec. Long: 89 Deg, 05 Min, 48.5 Sec.
Southeast Pass Field; **Plaquemines** Parish

Casing Configuration:	20"	DP	0' – 263'
	13 3/8"	54.5 #/ft	0' – 750' 660 sxs
	9 5/8"	40 #/ft	0' – 3,000' 1040sxs
	7"	26 #/ft	0' – 7,489' 1500 sxs

Latest Borehole Information:

Drilled TD	8,000'	Tubing: 2 3/8" 0' – 3,940'
USDW	150'	Packer: 3,940'
PBTD	5,383'	Perforations: 4,785' – 4,796'

Plugging and Abandonment Procedure
All Cement plugs shall be API Class H, having a minimum density of 15.6 pounds per gallon.

NOTE: **Post Well work, prior to moving in P&A equipment;** Mobilize equipment and materials to repair the casing valve currently leaking gas through a 2" bull plug. Check all remaining valves. Check tubing and casing pressures and record.

1. Move in rig and equipment for P&A. Check all tubing and casing strings for pressure and record. Kill well as necessary.
2. Establish injection rate down the tubing into perforations. Record injection rate and pressure. Monitor 7" casing pressure during injection. Pressure test the 2 3/8 tubing x 7" casing annulus to 750 psi. Pressure test the 7" x 9 5/8" casing annulus to 500 psi. Test the 13 3/8" casing annulus to 300 psi.
3. RU wireline on 2 3/8" tubing. MU gauge ring assembly with CCL. RIH to 3,900' noting any restrictions, tight spots or obstructions. RIH with 2 3/8" CIBP to set in the tubing at +/- 3,900'.
4. Perforate the tubing +/- 3,850'. Circulate the well clean with 9.0 ppg corrosion inhibited fluid (and leave between all plugs). Spot a 45 sack cement plug in the 2-3/8" tubing and 2 3/8" X 7" annulus. WOC 4 hours. Tag cement. Test the tubing and 7" casing to 500 psi.
5. TIH with DP charge and perforate the 2 3/8" tubing and 7: casing at 2,800'. Pump down the tubing to establish circulation from the 7" casing. Close the 7" casing valve. Open the 9 5/8" casing annulus and establish circulation. Test the 13 3/8" casing annulus to 500psi.
6. Mix and pump 45 sack cement plug in the tubing, 7" annulus and 9 5/8" annulus. WOC 4 hours. Test tubing, 7" annulus, and 9 5/8" annulus.
7. TIH to cut tubing at 750'. ND wellhead. NU and test BOPs. POOH with tubing. Make a gauge assembly run. Set a 7" CIBP at +/- 720'. Test to 500psi mix and pump a 25 sack cement plug on top of CIBP.
8. Cut and remove the **7" casing** at 200'. Perforate the 9 5/8" casing at 190'. Mix and pump 45 sxs of cement to set a balanced plug in the 9 5/8" x 13 3/8" casing annulus. WOC.
9. Cut all casings a minimum of fifteen (15') feet below the mud level.
10. Remove all equipment, pilings, structures, etc., associated with the past production of this well.
11. **Perform Site Clearance and Verification Survey.** Site must pass survey (See Section 2, Item 28). **Note: Contractor must provide absorbent and/or containment booms to contain any sheen material that might be generated by the removal operations.**
12. Restore any damage caused by P&A operations on the site and access route to well location.

NOTE: ANY AND ALL NAVIGATIONAL AIDS THAT ARE ATTACHED TO THIS WELLSITE SHALL NOT BE TREATED AS A SALVAGEABLE ITEM. THE NAVIGATIONAL AID MUST BE CAREFULLY REMOVED AND RETURNED TO BOH BROS CONSTRUCTION CO., INC. BY CONTACTING RALPH DIAZ AT (504)-821-0714.

Section 7

BREAKDOWN OF LUMP SUM TOTAL

ITEM DESCRIPTION	COST
A. Stop Leak SN: 200174	$ _____
B. P&A well Serial Number 200174	$ _____
PERMIT FEE (Coastal Use Permit)	$ _____
SITE CLEARANCE FEE	$ _____
Financial Assurance charge	$ _____
Other (must separately list and identify any additional costs)	$ _____
_____	$ _____
_____	$ _____
Deduct salvage value (Itemized listing must be attached)	$ (_____)
TOTAL *	$ _____

Bidder must enter a bid amount on all items. Failure to do so, may eliminate your bid from consideration. Partial bids for incomplete Scope of Work are not acceptable.

*** Must equal the sum of the above items and must equal the lump sum total indicated on Page 3 of the bid document.**

Bidder must supply the information required on Section 5. Failure to do so, may eliminate your bid from consideration.

Attachments

ATTACHMENT "A"

FINANCIAL ASSURANCE REQUIREMENTS

The **Contractor shall furnish Financial Assurances for one hundred percent (100%)** of the amount of the contract for the faithful performance of his contract **AND one hundred percent (100%)** of the amount of the contract to assure payment for the labor & materials, by one of the following or a combination thereof:

PERFORMANCE BOND AND/OR LABOR AND MATERIALS BOND:

The performance bond and/or labor and materials bond shall be secured by a Surety or Insurance Company currently on the United States Department of the Treasury Financial Management Service List of approved bonding companies and in accordance with the restrictions set by them or by an insurance company that is either domiciled in Louisiana or owned by Louisiana residents and is licensed to write surety bonds. In addition, any surety bond written for a public works project shall be written by a surety or insurance company that is currently licensed to do business in the State of Louisiana. R.S. 38:2216 (2) requires that a bond shall be countersigned by a Louisiana licensed agent authorized to represent the Surety Company writing the bond and who is residing in this State.

LETTER OF CREDIT:

Letter of credit in sole favor of the Department of Natural Resources in a form prescribed by the Secretary of Assistant Secretary issued by a financial institution acceptable to the Secretary or Assistant Secretary (R.S. 30:92).

ATTACHMENT "B"

INSURANCE REQUIREMENTS
CERTIFICATE OF INSURANCE
ACT 404 : P&A CONTRACTS
WATER OPERATIONS

1. GENERAL LIABILITY:

A. Minimum limits of $5,000,000 per occurrence.
B. BI/PD/Contractual/Products-Completed Operations/OCP.
C. Additional Insured - The State of Louisiana, all State Departments, Agencies, Board and Commissions, its officers, directors, agents, and employees are to be included as additional insured with respect to any work done by the Insured under contract.
D. Watercraft Exclusion deleted or evidence of Protection & Indemnity Insurance in minimum amount of $5,000,000 in either instance.
E. Waiver of Subrogation in favor of: The State of Louisiana, all State Departments, Agencies, Board and Commissions, its officers, directors, agents and employees with respect to any work done by the Insured under contract.
F. Pollution Liability including Clean up.
G. Underground Resources.
H. Blowout & Cratering.
I. Broad Form Property Damage.
J. XCU - Explosion/Collapse/Underground.
K. No restriction in coverage for use of explosives.

2. WORKERS' COMPENSATION:

A. Statutory coverage and Employers Liability.
B. Protection & Indemnity/Jones Act-Maritime in minimum amount of $5,000,000 for crew.
C. Employers Liability minimum limits of $1,000,000.
D. Waiver of Subrogation in favor of: The State of Louisiana, all State Departments, Agencies, Board and Commissions, its officers, directors, agents and employees with respect to any work done by the Insured under contract.
E. Longshoremen & Harbor Workers coverage including 905 (b).
F. Outer Continental Shelf Lands Act Endorsement.
G. Maritime/Jones Act coverage including TWMC/Transportation, Wages, Maintenance, and Cure.
H. No restriction in coverage for use of explosives.

3. AUTOMOBILE LIABILITY:

A. Minimum limits of $1,000,000 per occurrence.
B. Owned/Non Owned/Hired Automobiles.
C. Additional Insured - The State of Louisiana, all State Departments, Agencies, Board and Commissions, its officers, directors, agents and employees are to be included as additional insured with respect to any work done by the Insured under contract.
D. Waiver of Subrogation in favor of: The State of Louisiana, all State Departments, Agencies, Board and Commissions, its officers, directors, agents and employees with respect to any work done by the Insured under contract.

4. PROTECTION & INDEMNITY:

A. Waiver of Subrogation in favor of: The State of Louisiana, all State Departments, Agencies, Board and Commissions, its officers, directors, agents and employees with respect to any work done by the Insured under contract.
B. Additional Insured - The State of Louisiana, all State Departments, Agencies, Board and Commissions, its officers, directors, agents and employees are to be included as additional insured with respect to any work done by the Insured under contract.
C. Minimum limits of $5,000,000 to include Crew/TWMC.
D. "As owner of the vessel" phrase deleted.
E. Any phrase purporting to limit the underwriter's liability to value of vessel or to that of an owner be deleted.
F. No restriction in coverages for use of explosives.

5. IF NOT COVERED BY GENERAL LIABILITY:

A. Pollution Liability including Clean Up.
B. Underground Resources.
C. Blowout & Cratering.
D. Broad Form Property Damage.
E. XCU – Explosion/Collapse/Underground.

ATTACHMENT "C"

FIFTH AMENDMENT TO
STATEWIDE ORDERS NO. 29-B
AND 29-B-a (Emergency Rule)

TITLE 43
NATURAL RESOURCES
Part XIX. Office of Conservation – General Operations
Subpart 1. Statewide Order No. 29-B

Chapter 2. Additional Requirements for Water Locations
§211. Oil and Gas Well-Workover Operations

A. Definitions. When used in this section, the following terms shall have the meanings given below:

Expected surface pressure - the highest pressure predicted to be exerted upon the surface of a well. In calculating expected surface pressure, reservoir pressure as well as applied surface pressure must be considered.

Routine operations - any of the following operations conducted on a well with the tree installed including cutting paraffin, removing and setting pump-through-type tubing plugs, gas-lift valves, and subsurface safety valves which can be removed by wireline operations, bailing sand, pressure surveys, swabbing, scale or corrosion treatment, caliper and gauge surveys, corrosion inhibitor treatment, removing or replacing subsurface pumps, through-tubing logging, wireline fishing, and setting and retrieving other subsurface flow-control devices.

Workover operations - the work conducted on wells after the initial completion for the purpose of maintaining or restoring the productivity of a well.

B. When well-workover operations are conducted on a well with the tree removed, an emergency shutdown system (ESD) manually controlled station shall be installed near the driller's console or well-servicing unit operator's work station, except when there is no other hydrocarbon-producing well or other hydrocarbon flow on the platform.

C. Prior to engaging in well-workover operations, crew members shall be instructed in the safety requirements of the operations to be performed, possible hazards to be encountered, and general safety considerations to protect personnel, equipment, and the environment. Date and time of safety meetings shall be recorded and available for review.

D. Well-control fluids, equipment, and operations. The following requirements apply during all well-workover operations with the tree removed:

1. The minimum BOP-system components when the expected surface pressure is less than or equal to 5,000 psi shall include one annular-type well control component, one set of pipe rams, and one set of blind-shear rams. The shear ram component of this requirement shall be effective for any workover operations initiated on or after January 1, 2011 and not before.
2. The minimum BOP-system components when the expected surface pressure is greater than 5,000 psi shall include one annular-type well control component, two sets of pipe rams, and one set of blind-shear rams. The shear ram component of this requirement shall be effective for any workover operations initiated on or after January 1, 2011 and not before.
3. BOP auxillary equipment in accordance with the requirements of LAC 43:XIX.207.E.
4. When coming out of the hole with drill pipe or a workover string, the annulus shall be filled with well-control fluid before the change in such fluid level decreases the hydrostatic pressure 75 pounds per square inch (psi) or every five stands of drill pipe or workover string, whichever gives a lower decrease in hydrostatic pressure. The number of stands of drill pipe or workover string and drill collars that may be pulled prior to filling the hole and the equivalent well-control fluid volume shall be calculated and posted near the operator's station. A mechanical, volumetric, or electronic device for measuring the amount of well-control fluid required to fill the hold shall be utilized.
5. The following well-control-fluid equipment shall be installed, maintained, and utilized:
    a. A fill-up line above the uppermost BOP;
    b. A well-control, fluid-volume measuring device for determining fluid volumes when filling the hole on trips; and
    c. A recording mud-pit-level indicator to determine mud-pit-volume gains and losses. This indicator shall include both a visual and an audible warning device.

E. The minimum BOP-system components for well-workover operations with the tree in place and performed through the wellhead inside of conventional tubing using small-diameter jointed pipe (usually ¾ inch to 1 ¼ inch) as a work string, i.e., small-tubing operations, shall include two sets of pipe rams, and one set of blind rams.

1. An essentially full-opening work-string safety valve in the open position on the rig floor shall be available at all times while well-workover operations are being conducted. This valve shall be maintained on the rig floor to fit all connections that are in the work string. A wrench to fit the work-string safety valve shall be stored in a location readily accessible to the workover crew.

F. For coiled tubing operations with the production tree in place, you must meet the following minimum requirements for the BOP system:

1. BOP system components must be in the following order from the top down when expected surface pressures are less than or equal to 3,500 psi:

    a. Stripper or annular-type well control component.
    b. Hydraulically-operated blind rams.
    c. Hydraulically-operated shear rams.
    d. Kill line inlet
    e. Hydraulically operated two-way slip rams.
    f. Hydraulically operated pipe rams

1. BOP system components must be in the following order from the top down when expected surface pressures are greater than 3,500 psi:

    a. Stripper or annular-type well control component.
    b. Hydraulically-operated blind rams.
    c. Hydraulically-operated shear rams.
    d. Kill line inlet
    e. Hydraulically-operated two-way slip rams.
    f. Hydraulically-operated pipe rams.
    g. Hydraulically-operated blind-shear rams. These rams should be located as close to the tree as practical.

3. BOP system components must be in the following order from the top down for wells with returns taken through an outlet on the BOP stack:

    a. Stripper or annular-type well control component.
    b. Hydraulically-operated blind rams.
    c. Hydraulically-operated shear rams.
    d. Kill line inlet
    e. Hydraulically-operated two-way slip rams.
    f. Hydraulically-operated pipe rams.
    g. A flow tee or cross.
    h. Hydraulically-operated pipe rams.
    i. Hydraulically-operated blind-shear rams on wells with surface pressures less than or equal to 3,500 psi. As an option, the pipe rams can be placed below the blind-shear rams. The blind-shear rams should be placed as close to the tree as practical.

4. A set of hydraulically-operated combination rams may be used for the blind rams and shear rams.

5. A set of hydraulically-operated combination rams may be used for the hydraulic two-way slip rams and the hydraulically-operated pipe rams.

6. A dual check valve assembly must be attached to the coiled tubing connector at the downhole end of the coiled tubing string for all coiled tubing well-workover operations. To conduct operations without a downhole check valve, it must be approved by the District Manager.

7. A kill line and a separate choke line are required. Each line must be equipped with two full-opening valves and at least one of the valves must be remotely controlled. A manual valve must be used instead of the remotely controlled valve on the kill line if a check valve is installed between the two full-opening manual valves and the pump or manifold. The valves must have a working pressure rating equal to or greater than the working pressure rating of the connection to which they are attached, and must be installed between the well control stack and the choke or kill line. For operations with expected surface pressures greater than 3,500 psi, the kill line must be connected to a pump or manifold. The kill line inlet on the BOP stack must not be used for taking fluid returns from the wellbore.

8. The hydraulic-actuating system must provide sufficient accumulator capacity to close-open-close each component in the BOP stack. This cycle must be completed with at least 200 psi above the pre-charge pressure without assistance from a charging system.

9. All connections used in the surface BOP system from the tree to the uppermost required ram must be flanged, including the connections between the well control stack and the first full-opening valve on the choke line and the kill line.

10. The coiled tubing connector must be tested to a low pressure of 200 to 300 psi, followed by a high pressure test to the rated working pressure of the connector or the expected surface pressure, whichever is less. The dual check valves must be successfully pressure tested to the rated working pressure of the connector, the rated working pressure of the dual check valve, expected surface pressure, or the collapse pressure of the coiled tubing, whichever is less.

G. The minimum BOP-system components for well-workover operations with the tree in place and performed by moving tubing or drill pipe in or out of a well under pressure utilizing equipment specifically designed for that purpose, i.e., snubbing operations, shall include the following:

1. One set of pipe rams hydraulically operated, and
2. Two sets of stripper-type pipe rams hydraulically operated with spacer spool.

H. Test pressures must be recorded during BOP and coiled tubing tests on a pressure chart, or with a digital recorder, unless otherwise approved by the District Manager. The test interval for each BOP system component must be 5 minutes, except for coiled tubing operations, which must include a 10 minute high-pressure test for the coiled tubing string.

I. Wireline operations. The operator shall comply with the following requirements during routine, as defined in Subsection A of this section, and nonroutine wireline workover operations:

1. Wireline operations shall be conducted so as to minimize leakage of well fluids. Any leakage that does occur shall be contained to prevent pollution.

2. All wireline perforating operations and all other wireline operations where communication exists between the completed hydrocarbon-bearing zone(s) and the wellbore shall use a lubricator assembly containing at least one wireline valve.

3. When the lubricator is initially installed on the well, it shall be successfully pressure tested to the expected shut-in surface pressure.

J. Following completion of the well-workover activity, all such records shall be retained by the Operator for a period of 2 years.

K. An essentially full-opening work-string safety valve in the open position on the rig floor shall be available at all times while well-workover operations are being conducted. This valve shall be maintained on the rig floor to fit all connections that are in the work string. A wrench to fit the work-string safety valve shall be stored in a location readily accessible to the workover crew.

L. The commissioner may grant an exception to any provisions of this section that require specific equipment upon proof of good cause. For consideration of an exception, the operator must show proof of the unavailability of properly sized equipment and demonstrate that anticipated surface pressures minimize the potential for a loss of well control during the proposed operations. All exception requests must be made in writing to the commissioner and include documentation of any available evidence supporting the request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

Signature: I, _____, hereby acknowledge that Attachment 'C' was included in the Bid Proposal 431-2003-PA14-011 package and that I have read same.