

TENDER DOCUMENTATION

to public contract

“WELL WORKOVERS 2015 - 2017“

This Tender Documentation has been prepared in the Czech and English languages. In the event of a discrepancy between the Czech and English versions, the Czech version prevails.

1. CONTRACTING ENTITY

RWE Gas Storage, s.r.o.

is part of the biggest energy group in Europe. It is the biggest underground gas storage operator in the Czech Republic. The company operates a total of 6 underground gas storage facilities on the basis of a virtual gas storage principle with a total working gas volume of over 2.6 bcm which corresponds to approximately two-month gas consumption of the Czech Republic in winter season.

RWE Gas Storage, s.r.o.

Prosecká 855/68, 190 00 Prague 9, Czech Republic

Registered in the Commercial Register maintained by the Municipal Court in Prague, Part C, Insert No. 124711

Company Identification No.(IČ): 27892077

Tax Identification No. (DIČ): CZ27892077

No. of CZK bank account: 17805243/0300 with ČSOB a.s., Prague 5

IBAN: CZ9003000000000017805243

Swift Code: CEKOCZPP

No. of EUR account: 2142281/0300 (cash transactions only) with ČSOB a.s., Prague 5

IBAN EUR: CZ6303001752810017805243

(hereinafter referred to as the "Contracting Entity")

2. SUBJECT MATTER OF THE PUBLIC CONTRACT

- 2.1 The subject matter of the public contract is the performance of well workovers (hereinafter referred to as the "WWO") on the Tvrdonice, Dolní Dunajovice, Lobodice, Štramberk and Třanovice underground gas storage facilities (hereinafter referred to as the "UGS"). The detailed description of each part of the performance of the subject matter of the public contract is specified in Appendix No. 1 to this Tender Documentation (hereinafter referred as the "TD") – Reference Materials for Workover Performance (hereinafter referred to as the "Reference Materials").
- 2.2 The subject matter of the public contract performance is also the following:
 - 2.2.1 participation of the contractors representatives before the beginning of the campaign in the relevant year in a kick-off meeting organised by the Contracting Entity no later than 90 days before the commencement of works;
 - 2.2.2 preparation of a HSE Plan on the basis of a specimen plan containing minimal Contracting Entity's requirements regarding Occupational Health & Safety, Fire Prevention and Environmental Protection on the Contracting Entity's workplaces; the specimen is available on www.rwe-gasstorage.cz. The contractor will present the HSE Plan, not later than 30 days before the planned commencement of works, to the Contracting Entity's representative for approval. If the contract is performed with the use of sub-contractors (including contractors hired by the Contracting Entity), the contractor will present to the Contracting Entity's representative a statement, signed by the authorised representatives of the sub-contractor, saying that all his sub-contractors have demonstrably been familiarised with the approved HSE Plan relevant for the particular locality before the commencement of works;
 - 2.2.3 preparation of a detailed time schedule for the WWO performance as per Appendix No. 2 to this TD which time schedule will be submitted by the contractor to the Contracting Entity for approval 14 days before the planned commencement of works;

regular updating of the time schedule (updated time schedules will be sent together with daily reports)

- 2.2.4 preparation of designs and process statements [*technological procedures*] (hereinafter referred to as the "PS") for workovers of the individual wells within the meaning of Czech Mining Authority Decree No. 239/1998 Coll., on Occupational Health & Safety and operational safety during oil and gas production and treatment and during drilling and geophysical operations and on changes to certain regulations to provide for Occupational Health & Safety in mining activities and activities carried out in a mining manner, as amended, which the contractor is obliged to submit to the Contracting Entity for approval 30 days before the planned commencement of works. The designs and PS for the workovers of the individual wells must be prepared in accordance with the specimen documents provided by the Contracting Entity. The designs and PS must contain description of any and all operations carried out during WWO, including process statements of all sub-contractors (both the Contracting Entity's and contractor's ones);
- 2.2.5 preparation of a design of the work and access areas needed for the WWO performance; the contractor is obliged to submit the design to the Contracting Entity for approval 90 days before the planned commencement of works. Part of the design will also be the workover rig layout. Based on the submitted design, the Contracting Entity will, at his expense, arrange for access onto the plots in question as well as for the subsequent compensation for damage incurred on crops and for the biological reclamation settlement (other costs not enumerated herein will be borne by the contractor) with the exception of instances when this cannot be done for objective reasons; in such a case, the contractor must ensure all work areas in such a way that all contractor's technological equipment and services provided by the customer on the assumption of the contractors collaboration must be transported and, thereafter, placed on hard surfaces.
- 2.2.6 preparation of the final report as per Appendix No. 3 - Documentation for WWO Completion;
- 2.2.7 preparation and regular sending of:
- daily reports (see Appendix No. 4 to this TD)
 - fluid reports
 - updated detailed time schedules of the WWO performance (see Appendix No. 2 to this TD)
- in electronic form to the Contracting Entity's contact persons by no later than 09:00 a.m. in the Czech or Slovak or English languages;
- 2.2.8 co-ordination of the services ensured by the Contracting Entity during WWO:
- logging service
 - wire-line service
 - wellhead installation service
 - service pertaining to the installation of sub-surface and surface safety valves
 - service pertaining to gravel pack job (applies to 2016 – 2017)
- 2.2.9 contractors collaboration in the services secured during the WWO by the Contracting Entity:
- installation of wellheads
 - installation of SSSV and SSV
 - wire-line service;

- logging service
 - gravel packing for 2016 – 2017. The requirements regarding the contractor to provide collaboration in gravel packing in 2016 – 2017 are specified in Appendix No. 5 to this TD – Gravel Packing Requirements 2016 – 2017;
- 2.2.10 securing the service in the reconstruction of the wellhead of the individual wells and the service in the installation of packers without packing job in accordance with the Contracting Entity's requirements specified in Appendix No. 1 to this TD – Reference Materials for the WWO Performance;
- 2.2.11 securing gravel packing in WWO in 2015 in compliance with the requirements specified in Appendix No. 6 to this TD – Gravel Packing Requirements 2015 and in compliance with the requirements pertaining to the service and materials specified in Appendix No 1 to this TD – Reference Materials for the WWO Performance;
- 2.3 The following is not the subject matter of the public contracts:
- painting of wellheads after WWO
 - delivery of a new fencing of wells
 - branch adjustment after WWO

3. TERMS OF CONTRACT PERFORMANCE

- 3.1 The Contracting Entity requires 36-month guarantees for the work performed and material installed.
- 3.2 Any material provided by the Contracting Entity for the WWO will be handed over to the contractor in the Hrušky storehouse at Tvrdonice. The loading and transportation of the material to the place of contract performance will be ensured by the WWO contractor at his expense. The initial well completion and any Contracting Entity's unused material will after the completion of works be transported back to the Hrušky storehouse at the contractor's expense.
- 3.3 The contractor undertakes to enable the Contracting Entity to perform safety audits with the contractor or, if necessary, make the performance of the audits possible for a third party. The outcomes of the audit are binding on the contractor.
- 3.4 The Contracting Entity informs, in compliance with the long-term targets and principles of business behaviour, that the companies of the RWE group in the Czech Republic undertake voluntarily to follow the "RWE Code of Conduct" obliging these entities to adhere to clear rules which create a framework for their business activities and social behaviour. To check the adherence to the above principles, the companies of the RWE group in the Czech Republic have established an institution of ombudsman. More information about the "RWE Code of Conduct" and the ombudsman's activity is available on: <http://www.rwe.cz/cs/4415/> (the Czech version) and <http://www.rwe.cz/en/fraud-prevention-program/> (the English version.).
- 3.5 To ensure working conditions for the contractor's technical supervision, the contractor undertakes to provide for them, straight on the site, a heated job office including the following equipment: an office desk and a chair, a wardrobe, 230V power supply, a lockable cabinet for documents and a conditioning unit. The contractor will also provide access to sanitary facilities including showers for the Contracting Entity's representatives.
- 3.6 The Contracting Entity requires that great attention is paid during the operations to the purity of liquids, quality thereof and to adherence to the technological processes of the preparation and use the liquids. The Contracting Entity's requirements regarding the purity of the liquids used during WWO are specified in Appendix No. 3 to this TD - "Requirements Regarding Liquids During WWO"

- 3.7 The Contracting Entity undertakes to duly designate the places, especially those with a heavier traffic, where vehicles will be transporting materials to the well to be repaired or running from the well onto the road.
- 3.8 The contractor and his sub-contractors must observe the safety instructions stated in Appendix No. 7 to this TD – Technical Conditions including the Methodical Instruction on the use of PPE.
- 3.9 The contractor undertakes to observe at least the following standards when performing the works: API RP 53, API RP 16D, API RP 16E, API RP 8B, API RP 7F, API RP 7L, API RP 4G, API RP 54, API RP 9B, API RP 67, API RP 2003.
- 3.10 The contractor undertakes to observe the minimal WWO requirements as per Appendix No. 8 when performing the works.
- 3.11 The contractor undertakes to observe generally applicable legislation providing for occupational safety and health, fire regulations, environmental protection regulations and the “Technical conditions for works and activities in structures, hazardous spaces, zones and in the vicinity of networks and lines falling within RWE Gas Storage, s.r.o.’s management” as per Appendix No. 7 to this TD.
- 3.12 The order of workovers of the individual wells in the relevant part of the contract will be determined by the contractor with the provision that he undertakes to give preference to production wells.
- 3.13 The diameter of drill pipes during WWO must make it possible to perform all requested operations (installation of packers, gravel packing, etc. As per Appendix No. 1 to this TD).
- 3.14 Should a need of additional services amounting, in terms of volume, to no more than 20% of the whole budget of the relevant part of the public contract occur during the performance of any part of the public contract, the contractor is obliged to accomplish such part of performance within the contractual relationship with the customer at a price consisting of unit prices which are part of his bid for the performance of the particular part of the public contract in this award procedure. If the price list does not contain the relevant item, the contractor is obliged to present a document on the acquisition of the item including its purchase price. Such price will be charged to the customer together with a 10% handling charge. The T0 rate stated in the price list of additional services will be applied in the event of inactivity of the rig for more than 24 hours (T2 rate is applied until then). Any need of additional services, arisen on the party of either the contractor or customer, is subject to a record in the site log, and, besides, the contractor undertakes to draw up a revision sheet as per Appendix No. 10 to this TD – Revision Sheet.
- 3.15 Should a situation deviating from the approved design or PS occur in the course of WWO, the contractor undertakes to inform the customer’s authorised person about such deviation/situation within no later than 1 hour of its occurrence.
- 3.16 The contractor undertakes to observe the requirements regarding liquids as per Appendix No. 9 to this TD when performing the contract.

Appendices:

Appendix No. 1 Reference Materials for WWO Performance

Appendix No. 2 Detailed Time Schedule of WWO Performance

Appendix No. 3 Documentation for WWO Completion

Appendix No. 4 Daily Report Form

Appendix No. 5 Gravel Packing Requirements 2016 - 2017

Appendix No. 6 Gravel Packing Requirements 2015

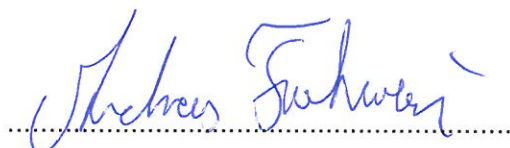
Appendix No. 7 TECHNICAL CONDITIONS for work and activities in structures, hazardous spaces, protective and safety zones and in the vicinity of networks and lines falling within RWE Gas Storage, s.r.o.'s management, including the conditions pertaining to Personal Protective Equipment

Appendix No. 8 WWO minimal requirements

Appendix No. 9 Requirements Regarding Liquids

Appendix No. 10 Revision Sheet

On: July 24, 2014



Andreas Frohwein
Executive



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Executive