

**Petroleum Research Atlantic Canada (Petroleum Research)**

**Request for Proposals  
(RFP)**

**Project Management Services for Program Planning  
and Initiation of Research and Development Projects  
in the area of Subsurface/Advanced Well Design**

**November 7, 2011**

## **1. Introduction**

Petroleum Research Atlantic Canada (Petroleum Research) is a not-for-profit corporation that facilitates and funds petroleum Research & Development (R&D) on behalf of its members. Our mission is to identify opportunities, develop proposals, fund, and manage the execution of research and technology development projects on behalf of the Newfoundland and Labrador offshore oil and gas industry.

Petroleum Research's members have identified "Subsurface/Advanced Well Design" as a strategic focus area for R&D activity. The objective is to develop knowledge and technology to increase recovery from declining & future field developments and develop marginal reservoirs. Petroleum Research is seeking a Project Manager to manage Program Planning and Initiation activities for a multi-year R&D program in this focus area.

## **2. Objective of the Request for Proposal (RFP)**

Petroleum Research, by means of this RFP, is seeking Proposals from Service Providers to provide a qualified individual on a full-time basis for up to a 6-month term, to manage Program Planning and Initiation activities for a Subsurface/Advanced Well Design R&D program.

## **3. Background**

The cost effective recovery of a significant portion of Newfoundland and Labrador's known oil resources is challenged by reservoir complexity. The Jeanne d'Arc basin, for example, can be prone to:

- lateral and vertical segmentation;
- differential depletion;
- multiple (stacked) reservoirs;
- different pressures and rock qualities within production zones;
- zonal isolation creating flow control challenges;
- weak formations creating drilling issues (breakout etc.);
- sand management issues reducing maximum produce-ability & facilities problems.

Increased production from known oil-in-place presents a major economic opportunity for the offshore industry and the people of Newfoundland and Labrador and Canada.

A number of new and/or improved technologies may help industry unlock undeveloped resources and increase hydrocarbon recovery: multilateral wells, dual completions; down-hole sensing/metering; horizontal drilling applications; Enhanced Oil Recovery (EOR); hydraulic fracturing and others.

Many of these technologies have not been applied to the Grand Banks region, and their suitability for increasing recovery from existing developments or marginal prospects is uncertain. Some technologies may need to be adapted or significantly improved. A general program approach may include:

- Evaluation of existing technology and methods used locally;
- Definition of technology gaps;

- Identification of new technology;
- Optimization of new and existing technologies to be applied locally;
- Improved well design solutions for the reservoirs;
- Mitigate critical risks associated with solutions.

#### 4. Project Scope

Petroleum Research is seeking a Project Manager–Subsurface/Advanced Well Design to manage Program Planning and Initiation activities for a multi-year R&D program. This individual will be situated in Petroleum Research’s St. John’s offices on a full-time basis up to a 6-month term. Successful initiation of a program of R&D activities may provide an opportunity for contract extensions.

The Project Manager—Subsurface/Advanced Well Design will work with Petroleum Research and its industry members to define the technical challenges to increased hydrocarbon recovery offshore NL , and identify technology improvements to mitigate the challenges.

Specific responsibilities include:

- define the research agenda in consultation with industry’s senior subject matter experts from within Petroleum Research’s industry membership;
- facilitate alignment amongst members on common technical challenges to be addressed by joint projects;
- act as the primary liaison with an industry Steering Committee representing program sponsors;
- develop a program execution strategy;
- prepare documentation to support the initiation of the approved program of work (see Section 5 – Deliverables).

Proposed resources should have the following minimum qualifications:

- at least 10 years of progressive managerial success in upstream R&D/technology management;
- experience working with research-oriented, upstream project/portfolio management processes;
- understanding of how to initiate and manage Joint Industry Projects with multiple stakeholders, particularly major exploration and production companies;
- experience dealing with suppliers and partners from the private sector, government laboratories, and universities;
- a good understanding of offshore production technologies and ideally, a technical background in a subsurface-related discipline such as production engineering, reservoir engineering, drilling engineering and/or reservoir geology with a relevant university degree;
- proven networking, communication, inter-personal and relationship-building skills;
- adaptability, initiative and creative problem-solving abilities;
- ability to work under pressure in an evolving environment that demands the highest levels of customer service, confidentiality and ethical behavior.

Service Providers may propose to support the Project Manager via provision of subject matter expertise in areas which have been identified as possible research priorities. This support may include establishing specifications for R&D projects, reviewing input into the Deliverables, or other support as approved by Petroleum Research.

## 5. Deliverables

Deliverable	Description
1. Program Outline	<ul style="list-style-type: none"> <li>• A Research and Development Program outline that summarizes the result of a consultative process with members to identify priorities and projects and align those projects within an overall multi-year program.</li> <li>• The Program will consist of projects that develop knowledge and technology to increase recovery from declining &amp; future field developments and develop marginal reservoirs.</li> <li>• The Program outline will include high level project descriptions, budget estimates and timelines for initiation.</li> </ul>
2. Project Charter(s)	<ul style="list-style-type: none"> <li>• Project Charter(s) as per Petroleum Research’s template for identified project(s) that are prioritized for immediate initiation.</li> </ul>
3. Prequalification Documents	<ul style="list-style-type: none"> <li>• Documents to support a pre-qualification submission to the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) as per their Research and Development Guidelines:               <ul style="list-style-type: none"> <li>○ C-NLOPB R&amp;D Work Expenditure Application Form</li> <li>○ Project description document based on Project Charter</li> <li>○ PowerPoint presentation (s) as necessary</li> </ul> </li> </ul>

## 6. Preparation and Submittal of Proposal

Any questions regarding this proposal must be submitted by e-mail to the contact below with the subject line "Questions/RFP/AWD Project Planning and Initiation".

<b>Name</b>	Metzi Prince
<b>Address</b>	Petroleum Research Atlantic Canada Baine Johnston Centre, Suite 802 10 Fort William Place St. John's, NL A1C 1K4 Canada
<b>Phone</b>	(709) 738-7919
<b>Fax</b>	(709) 738-7922
<b>E-mail</b>	metzi.prince@pr-ac.ca

Service Provider will not be reimbursed for any costs, expenses or charges which the Service Provider incurs or is required to expend in its preparation of a Proposal hereunder, including Service Provider travel and attendance at any clarification or pre-award meetings, if necessary. Petroleum Research and the Participants shall be under no liability whatsoever for or in respect to payment of any said costs, expenses or charges.

The Proposal shall remain open for acceptance by Petroleum Research and irrevocable for a period of thirty (30) days after the closing date and time of receipt.

The lowest cost Proposal will not necessarily be accepted. Petroleum Research reserves the right to accept the Proposal which they deem most advantageous to accomplish the Project Scope, and also reserves the right to reject any or all Proposals, in each case without notice.

Petroleum Research reserves the right, in its sole discretion, to negotiate with any Service Provider or Service Providers concurrently.

The Service Provider must carry out the work in Newfoundland and Labrador. Rates must be quoted in Canadian Dollars.

Proposals may be submitted by e-mail, post, courier or in person and must be received on or before **Wednesday, November 30, 2011, 5:00PM (Newfoundland Time).**

Proposals are to be addressed and marked as follows:

<b>Address</b>	Petroleum Research Newfoundland and Labrador Baine Johnston Centre, Suite 802 10 Fort William Place St. John's, NL A1C 1K4 Canada
<b>Marked</b>	Confidential Proposal – Subsurface/AWD Program Planning and Initiation Attention: Metzi Prince
<b>E-mail</b>	metzi.prince@pr-ac.ca

## 7. Contract

Any Contract resulting from this RFP shall be governed by the Laws of the Province of Newfoundland and Labrador and shall be issued in the legal entity name of the Service Provider(s) exactly as that Service Provider's personal or corporate name is stated in the response document.

The Proposal of the successful Service Provider will form part of any contract by attachment and incorporated by reference. Claims made in the Proposal will constitute contractual commitments on behalf of the Service Provider.

The contract will provide for the following:

- (a) Petroleum Research's standard payment terms which are net 30 days from receipt of the invoice. All applicable taxes must be shown separately on all invoices;
- (b) The contract shall be reimbursement based. All progress payments requested by the successful Service Provider must be supported by sufficient detail for the work completed, resources used, costs incurred, and hours worked and must be approved by Petroleum Research before payment;
- (c) Work incurred to remedy errors or omissions will be the responsibility of the Service Provider;
- (d) The successful Service Provider shall meet or exceed industry Health and Safety standards;
- (e) The successful Service Provider must submit a copy of a Workplace Health & Safety Compensation Commission of Newfoundland & Labrador Certificate of Good Standing and provide proof of standard insurance coverage prior to contract execution; and
- (f) The successful Service Provider will be required to execute a confidentiality agreement and accept the intellectual property rights, terms and conditions as set forth in the contract.
- (g) In the event of a decision by Petroleum Research to terminate the Project at any point, liability to the Service Provider will extend only to those costs actually and properly incurred up to the time of such termination.

The Service Provider will be expected to sign a Petroleum Research standard Research & Development Services Agreement, which will govern all aspects of the services to be delivered.