

Expression of Interest

Supply of Service Rig to Workover IESP Tuk M-18

The Inuvialuit Energy Security Project Ltd (IESPL), a 100% subsidiary of the Inuvialuit Petroleum Corp. (IPC) which is in turn a subsidiary of the Inuvialuit Regional Corporation (IRC) seeks expressions of interest from contractors to supply a service rig and associated equipment to workover a well in the Inuvialuit Settlement Region (ISR) as per the details below and the attached draft program.

Recognizing that this is a unique project, IESPL is inviting contractors to express interest in supplying a service rig, crew(s), and auxiliary equipment for this project.

This is only a request for expressions of interest – IESPL will engage with one or more interested contractors for qualification and contract negotiations.

Due to the unique location, limited operational window, and training requirements, IESPL will require a FIRM commitment of availability in the required timeframe from the selected contractor at the time of contract signing.

Location: IESP Tuk M-18 M-18 69-20-133-00
WID 1933
69° 17' 50.6" N 133° 04' 34.6" W NAD 27
Approximately 16 km south of Tuktoyaktuk - 4 km west of Inuvik-Tuk Highway 10
130 km north of Inuvik

Timing: Project start – approximately March 15, 2024
Duration 1-2 weeks
Timing is subject to regulatory approval

Project Scope: The Tuk M-18 well was drilled and tested in 2002. Although it is a prolific gas well, it has remained suspended due to the lack of market access. With the completion of the Inuvik-Tuk highway, the situation has changed. The Inuvialuit Energy Security Project (IESP) consists of reactivating the well and building a Compressed Natural Gas (CNG) and Gas to Liquids (GTL) facility to supply natural gas and synthetic diesel to the local communities. The well will produce significant condensate with 0% H₂S and 2.4% CO₂
Total depth 2900m BHP 28.5 MPa

Program Outline (see detailed draft program and diagrams attached)

- 1) Install wellhead extension
(wellhead technician to supervise – contractor to assist as/if required)
- 2) Rig up and install BOP
- 3) Circulate out diesel with brine – brine supplied by IESPL
- 4) Drill out upper suspension plug
- 5) Circulate out additional diesel with brine – brine supplied by IESPL
- 6) Pressure test casing & E-log to verify condition (by others)
- 7) Drill out lower suspension plug
- 8) Run packer and tailpipe on E-line (by others)
- 9) Run tubing (73mm 13Cr and 73/114mm VIT), SSSV and capillary lines
- 10) Install wellhead & terminate capillary lines (with 3rd party technicians)
- 11) Swab and flow on cleanup (3rd party testing unit)

Assumptions

- 1) Mobilization/demobilization
 - a) Carrier and mast will be transported on a low-boy truck at IESPL expense
 - b) Wheeled equipment will drive to location – skid loads will be transported by truck at IESPL expense
Please indicate the number of each category
 - c) Contractor will be responsible for fuel, accommodation, crew and other miscellaneous costs until arrival at wellsite
 - d) Contractor may mobilize/demobilize crew by air (to Inuvik) at their option
- 2) During operating and standby periods, IESPL will provide the following
 - a) Accommodation at camp in Tuktoyaktuk
 - b) Fuel and water/brine
 - c) Disposal of waste
 - d) On site briefing/survival shack
 - e) Wellsite supervisor
 - f) Safety Supervisor
 - g) Medic and MTC (ambulance)

Regulatory Environment

The Canada Energy Regulator (CER) will provide regulatory oversight and approval on behalf of the Office of Regulator of Oil and Gas Operations – NWT (OROGO).

Workers Safety and Compensation Commission (WSCC) of the NWT will have legislative authority over worker safety. The contractor will be required to have WSCC coverage and supervisor(s) (i.e. Rig Manager must attend the NWT Supervisor OHS Familiarization course).

Scope of Supply by Service Rig Contractor (to be negotiated)

- 1) Free-standing double tubing service rig with minimum hookload capacity of 60 kdaN
- 2) 278mm 35MPa Class III BOP with 73 and 88mm rams
- 3) Power swivel or equivalent
- 4) Suitable winterization (windboards, boiler(s), heaters) to operate in -30 degrees Celsius
- 5) Catwalk and dual pipe racks (both sides)
- 6) (Optional) – 88mm drillpipe and collars to drill out plugs @ 360m and 2650m
(IESP will rent if not available from contractor)
- 7) Operating crews for days and 2 persons for night/boiler watch

Supplied by IESPL

1. Camp and catering
2. On-site briefing shack (for all services)
3. Fuel for on-site operations
4. Wildlife monitor
5. Medic & MTC
6. Training of all workers for IESP specific emergency response, safety, and environmental protection programs
7. Onsite liability and loss of well control insurance

Training and Certification Requirements

Rig Manager and Driller – Energy Safety Canada – Well Service BOP (or approved equivalent)

All personnel – WHIMIS – H2S Alive – EGSO or minimum 6 months service rig experience

Selected personnel will be required to attend ICS (Incident Command System) training at IESP expense

Other Services Associated with this Project (contracted by IESP)

1. Testing & Flowback/flaring
2. Tank farm (brine & waste diesel from well)
3. Torque-turn
4. Downhole tool techs (SSSV etc.)
5. E-line and/or slickline
6. Wellhead tech

IESP's Request

This is a unique program, requiring significant commitment from the selected contractors. IESP recognizes that the nature of the program and geographic location may not be of interest to all potential contractors.

Therefore, IESP's wishes to determine which contractors are interested in further discussions, qualification process, and potential contract negotiations.

In addition to an Expression of Interest in pursuing this opportunity, IESP asks interested parties to provide a non-binding indication of costs (for AFE/estimating purposes) as follows by August 18, 2023:

- 1) Cost to mobilize rig and crew
It is anticipated that the service rig will be transported on a low-boy (at IESP expense)
- 2) Operating day rate (assuming 12-hour day inc. travel and startup/shutdown)
- 3) Operating day rate - 24-hour operations (indicate if contractor is able/willing to provide 2 crews)
- 4) Standby Rate – 1 crew
- 5) Standby Rate – 2 crews
- 6) Standby Rate – no crew
- 7) Cost to demobilize rig and crew

(For estimating purposes, IESP is assuming a mobilization point of Grande Prairie, Alberta. Contractor is free to propose an alternate mobilization point)

Contact Information

For all Expression of Interest responses and/or technical inquiries regarding this opportunity, please contact Dick Heenan with copy to Brent Jones.

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