

Expression of Interest

Supply of Well Testing Services for 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 separator and associated equipment to cleanup/flow test a well in the Inuvialuit Settlement Region (ISR) as per the details below.

Recognizing that this is a unique project, IESPL is inviting contractors to express interest in supplying a separator, crew, 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 and 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
130km north of Inuvik

Timing: Project start – approximately March 7, 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 lack of market access.

With the advent of the Inuvik-Tuk highway, the situation has changed. The Inuvialuit Energy Security Project 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 diagrams attached)

- 1) Install wellhead extension.
(wellhead technician to supervise – contractor to assist as/if required).
- 2) Rig up service rig 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.
- 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).
- 12) Shut down and secure well.
- 13) Rig down and demobilize equipment.

Assumptions

- 1) Mobilization/demobilization
 - a) Due to road conditions (Dempster Highway in winter), IESPL would prefer that equipment is either transported by truck at IESPL expense or for semi-trailer mounted equipment hauled by IESPL contractor tractor units (negotiable).
 - b) Contractor will mobilize/demobilize crew by air (to Inuvik) at IESPL expense.
 - c) Contractor will rent pickup(s) locally at IESPL expense (if needed).
 - d) Contractor will supply consumables as needed (methanol, propane, etc.) at IESPL expense.
- 2) During operating and standby periods, IESPL will provide the following.
 - a) Tank farm 3 200bbl tanks.
 - b) Accommodation at camp in Tuktoyaktuk.
 - c) Disposal of condensate and produced water (if any).
 - d) Electrical power (state requirements if not self-contained) and light tower.
 - e) On site briefing/survival shack.
 - f) Wellsite supervisor.
 - g) Safety Supervisor.
 - h) Medic and MTC (ambulance) – days only – on call nights.

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. Contractor will be required to have WSCC coverage and supervisor(s).

Well and Test Parameters

- 1) Well test 2002 – 400 10E3m3/d @ 20MPa flowing pressure.
- 2) Planned test rate 170-280 10E3m3/d (6-10mmscfd).
This is the planned production rate up 73mm tubing – design to meet limited local demand.
- 3) 2003 test produced about 0.3m3-0.6m3 / 10E3m3 condensate (C6+).
Produced gas was very rich (see attached analysis).
- 4) No H2S is present.
- 5) No NORM has been reported in this or other wells in the region.
- 6) No water was reported in the 2003 test, but some water of condensation is anticipated with the gas.
- 7) No sand is anticipated.
- 8) Test is anticipated to be 1.5 – 3 days.
Equipment will be rigged up prior to drilling out suspension plugs with service rig.
Contractor should assume total job to be +/-2 weeks on site.

Scope of Supply by Contractor (to be negotiated)

(Illustration only – Contractor should recommend initial spread based on their experience)

- 1) Manual 3 phase separator
(given the proposed rates, pressures, and gas composition will one stage be sufficient?).
- 2) Do you believe a line heater is necessary for this rate/pressure.
- 3) Volume measurement of liquid production to be done at the same pressure as the liquid samples are taken (not in tanks at atmospheric).
- 4) Piping as required
Insulation as required (initial production will include brine).
- 5) ESD valve.
- 6) Suitable winterization to operate in -30C
IESPL can have 80hp boiler and light tower/generator available if required.
- 7) Flare stack (currently considering 6" X 80')
Picker available
IESP would consider higher flare stack from 3rd party vendor if needed.
- 8) Operating crews for 24-hour operations.
- 9) Samples will be required – IESPL anticipates minimum of 3 each separator gas, separator hydrocarbons, produced water, stock tank liquid (essentially weathered condensate).

Training and Certification Requirements

IESP envisions a 5-person crew – Test Manager, 2 shift supervisors, 2 assistants. The contractor may propose alternated crewing.

All personnel – WHIMIS – H2S Alive – Standard First Aid - EGSO or minimum 6 months experience. Test Manager and Shift Supervisor must also have TDG.

Level 3 Well Test Supervisor preferred for Test Manager but not mandatory.

All personnel to be familiar with IESPL safety and environmental protection policies. Selected personnel may be required to attend ICS (Incident Command System) training at IESPL expense.

Other Services Associated with this Project (contracted by IESPL) FYI

- 1) Service Rig
- 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

IESPL's Request

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

Therefore, IESPL's wishes for a proposal for technical and commercial evaluation. Further discussions are anticipated with the successful or shortlisted contractors.

The technical component will include a list of proposed equipment (basic specifications), a testing schematic or block diagram, (sketch not engineered drawing) and proposed crewing.

Financial proposals should be considered non-binding at this stage. IESPL recognizes there will be some negotiation as the proposals are finalized but expects that final pricing will substantially reflect the contractor's initial proposal, allowing for any changes in scope.

IESPL asks interested parties to provide a non-binding indication of costs as follows:

- 1) Mobilization/demobilization charge for crew and personnel
(IESP to arrange trucking and reimburse for airfare).
- 2) Operating rate – 24-hour operations.
- 3) Standby Rate – with crew.
- 4) Standby Rate – no crew.

(For estimating purposes, IESPL is assuming a mobilization point of Grande Prairie, Alberta. Contractor is requested to provide actual mobilization point).

This is a value-based evaluation. The lowest cost proposal is not necessarily accepted.

Commitment

Due to the location of the project, limited operational window, IESPL will require a guarantee of commitment to the project. In return, IESPL is prepared to negotiate a "Break-Fee" in the event of cancellation close to the planned operation.

Experience

Experiences/references for any remote/arctic projects would be desirable.

Questions/Clarifications

Requests for clarifications should be addressed to dickheenan@shaw.ca 403-818-4408