



## **ENCANA CORPORATION Expression of Interest (EOI)**

<b>PROVISION OF:</b>	<b>Drill Bits</b>
<b>BIDS Category:</b>	0206
<b>Reference:</b>	EOI DR13
<b>Issue Date:</b>	September 29, 2008
<b>Closing Date:</b>	October 10, 2008

### **DEEP PANUKE PROJECT SUMMARY**

EnCana Corporation is developing the Deep Panuke natural gas project in the Sable Island area of Nova Scotia's offshore from its offices in Halifax. The project involves the installation of the facilities required to produce natural gas from the Deep Panuke field, located approximately 175 kilometres offshore Nova Scotia. Produced gas will be transported by subsea pipeline to Goldboro, N.S., where it will be transported via the Maritimes & Northeast Pipeline (M&NP) to markets in Eastern Canada and the northeastern United States. First gas from the project is expected in 2010.

### **PROJECT QUICK FACTS**

- The project was approved for development by EnCana's Board of Directors in October 2007.
- EnCana has entered into an agreement with Single Buoy Moorings Inc. (SBM) for the provision and operation of the Deep Panuke production field centre.
- Production will result from the re-entry and re-completion of four existing, suspended wells.
- In addition, an acid gas injection (AGI) well will be drilled.

### **DRILLING PROGRAM**

Production will result from the re-entry and re-completion of four existing suspended wells. The wells were drilled with surface wellheads from a jack-up drilling unit but will be equipped with Vetco Gray subsea wellheads and horizontal trees pursuant to a mudline conversion to subsea wellhead equipment. In addition, a new acid gas injection (AGI) well will be drilled.

The four production wells have similar construction including a Dril-Quip H-90 30" multi-thread, left hand top connector and a FMC 30" x 13-3/8" x 9-5/8" SD-1 mudline suspension system. Installation of the Vetco Gray subsea equipment will require the tie back of the FMC mudline suspension system to the wellhead. The production wells are expected to be normally pressured, however lost circulation, and gas containing H<sub>2</sub>S and CO<sub>2</sub> can be expected in the lower section of the well. All equipment will be required to be NACE compliant as a minimum. The wells will be flow tested. The H<sub>2</sub>S and CO<sub>2</sub> will be removed from the fluid stream during processing on the field centre and disposed of into the AGI.

The re-entries / re-completions and the AGI drilling will be undertaken in about 45 meters water depth with a Gorilla class jack-up rig to be provided by Rowan Companies. Tenders for downhole equipment and for drilling goods and services will be executed throughout 2008.

### **CNSOPB**

Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) is the joint federal / provincial agency responsible for regulation of oil and gas industry activities in the offshore area of Nova Scotia. Application must be made to CNSOPB for work authorizations including drilling and re-entries and re-completions.

## **BUSINESS OPPORTUNITIES**

EnCana is committed to providing opportunities for Nova Scotian and Canadian companies through employment, procurement and contracting on an internationally competitive basis, with full and fair opportunity for Nova Scotians and Canadians, and first consideration to Nova Scotians where competitive on a best value basis. Companies who have been invited to tender will be required to complete a Canada-Nova Scotia Benefits Questionnaire, and demonstrate their commitment to, and compliance with, EnCana's requirements regarding Canada-Nova Scotia Benefits during the tender process.

Interested firms are requested to demonstrate their capabilities and experience via a formal response to this EOI.

## **SCOPE**

EnCana is seeking interested firms for the provision of Drill Bits for its upcoming Acid Gas Injection Well (AGI Well) drilling program and its 4 well re-entry production well program offshore Nova Scotia. Current spud date is scheduled for Q3 2009.

The Drill Bits service will include the provision of:

- Tri Cone Tooth Bits
- Tri Cone Insert Bits
- PDC drill bits

Interested parties shall supply Drill bits on a consignment basis, wherever possible, as specified by EnCana.

Interested parties shall perform computer simulations as requested by EnCana to model the drill bit performance in given rock type.

EnCana will require Drill bits for the following planned open hole sizes:

- 914 mm conductor hole
- 445 mm surface hole
- 311 mm intermediate and production hole

Additionally EnCana will require Drill bits in the following sizes for drilling of cement plugs and casing cleanouts:

- 216mm
- 152mm

## **PROJECT REQUIREMENTS**

1. Interested parties are required to have a registered Quality Management System and a current certificate issued by a recognized third party that certifies that the Quality Management System meets the requirements of the ISO 9001.
2. All work carried out on the Deep Panuke Project shall comply fully with Canada-Nova Scotia Offshore Petroleum Board Regulations.
3. Contractors shall have previous experience and solid Quality and EHS management performance on similar projects.
4. Contractor shall have an electronic reporting and inspection tracking system which is maintained in a current state;
5. Offshore personnel will be required to have valid Basic Survival Training acceptable to the CNSOPB and a valid H<sub>2</sub>S certificate.

## **INFORMATION REQUESTED WITH EOI RESPONSE**

Qualified firms are invited to indicate their interest by submitting the following:

- Company name and contact details
- Summary of related experience
- List of manufacturers represented
- Stocking centres, service centres, local representation
- Description of order processing and related systems and procedures

Responses must be concise and must not include brochures, financial statements, program documentation, etc.

EnCana will select qualified bidders using the responses to this EOI as a guide. Any eventual list of Bidders will be posted on BIDS Nova Scotia's website. EnCana reserves the right to select more than one Contractor to execute the above Scope of Work.

EnCana is under no obligation to proceed with a Request for Proposal as a result of this call for Expressions of Interest. Respondents that qualify will be invited to participate in the event proposals are solicited.

EnCana will only consider EOI's that come from a company that has a proven track record of Drill Bits Services in an offshore environment. In addition the drill bit company must carry an API certification for bit manufacturing.

Expressions of Interest must be received on or before October 10, 2008 1:00 PM Atlantic time.

All inquires and Expression of Interest must be clearly marked with the EOI reference number and should be directed to:

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Deep Panuke Offshore Gas Development Project

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