



REQUEST FOR PROPOSALS

Title: Identification and Evaluation of New Resource Oil Plays
in Northeast British Columbia's Portion of the Western
Canada Sedimentary Basin

Date Issued: Monday, May 4, 2015

Solicitation Closes: Monday, May 25, 2015 at 12:00 noon Pacific Time

Enquiries to: Christa Pellett
Project Manager, Geoscience BC

Email: pellett@geosciencebc.com

THE ORGANIZATION

Geoscience BC is an independent, not for profit, geoscience organization with a mandate to attract new mineral and oil and gas investment to British Columbia through geoscience. Geoscience BC works in partnership with industry, academia, government, First Nations, and communities to fund innovative applied geoscience projects.

INTRODUCTION

The technological marriage of horizontal drilling and multi-stage hydraulic fracturing (unconventional drilling) has revolutionized the oil and gas industry worldwide. In less than ten short years, the decline of oil reserves has not only been arrested, but actually reversed throughout North America. This ability to materially increase the stimulated reservoir volume has allowed the exploitation of tight reservoirs once deemed uneconomic, around pre-existing oil fields, now termed a halo play. A premier example being the development around the giant Pembina Oil Field in west-central Alberta.

British Columbia has historically been recognized as a gas-prone province with the majority of its hydrocarbon production coming from natural gas. The recent advances in unconventional drilling have further expanded British Columbia's claim to being a gas-prone province with the generation of new unconventional plays in the Horn River Basin, followed by the Montney play, and now the Liard Basin.

To date, resource oil plays (i.e. tight sands/carbonate/shales and *halo* oil plays) have languished in the Province. Geoscience BC is extending a call for a Request for Proposals for the *Identification and Evaluation of New Resource Oil Plays in northeast British Columbia's portion of the Western Canada Sedimentary Basin*.

OBJECTIVES

Through the evaluation of reservoir characteristics, rock properties, hydrogeology, organic geochemistry, burial history, production history, and any other technical aspect deemed important by the proponent, identify new exploration and exploitation fairways which can be accessed through unconventional drilling and completion methods. New opportunities should be evaluated for their resource potential. Consideration should also be given for the potential for *vertical halo* plays.

TECHNICAL SPECIFICATIONS AND DETAILS

A) Data Presentation and Standards

Geospatial products will be prepared in an ArcGIS interoperable data format with coordinates recorded as latitude and longitude, and as UTM eastings and northings in the NAD83 datum. Project proponents are requested to coordinate with the data custodian, at Geoscience BC, to determine suitability prior to publishing to Geoscience BC's GIS.

B) Deliverable Items

The following items will be delivered to Geoscience BC, Suite 440 – 890 West Pender Street, Vancouver, BC, Canada, V6C 1J9:

The following is merely a minimum guideline for deliverables, the proponent should provide a detailed list of the deliverables which they feel will fulfill the objectives of this RFP.

1. Monthly progress reports
2. Maps showing:
 - i. Areal extent of new resource

- ii. Reservoir parameters (e.g. porosity, net-to-gross, pay thickness)
3. Tables with expected reservoir parameters for identified resource plays (e.g. area, pay thickness (m), average porosity, average permeability, expected reservoir pressure (kPa), oil formation volume factor B_o , in-place reserves, potential recovery factors, resource potential, etc.).
4. A report summarizing the methodologies, findings play risks and recommendations as to which plays are the most technically viable. Two (2) print copies and one digital copy in PDF format, which must include the following:
 - i. A report number supplied by Geoscience BC;
 - ii. The name and address of the contractor, the phone and fax numbers of the company and the date of the survey;
 - iii. A table of contents;

Final deliverables must be received by Geoscience BC no later than May 31, 2016.

CONTENT OF PROPOSAL

The proposal **should** contain:

1. A summary of the proponent's relevant past project work, including any previous projects completed for Geoscience BC.
2. A timeline for the project, including an undertaking to start the project in a timely manner with monthly reporting of the status of the project.
3. A price for the project in Canadian dollars, including all personnel, administrative, compilation and final reporting costs. Please use the budget template provided.

The submission of standard business development or promotional materials published corporate profiles, annual reports, standard marketing or sales brochures and other like materials is discouraged.

Each Proponent is solely responsible for conducting their own independent research, due diligence, and any other work or investigation, and seeking any independent advice necessary for the preparation of the Proposal. Nothing in this RFP is intended to relieve the Proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

CONFIRMATION OF INTEREST

Each Proponent who intends to submit a Proposal in response to this RFP shall confirm its intention and provide a single point of contact, phone number, fax number and e-mail address to Christa Pellett at Geoscience BC.

Contact:	Christa Pellett
E-Mail:	<i>pellett@geosciencebc.com</i>

SUBMISSION OF PROPOSALS

Proposals will be accepted in the form of an electronic submission in PDF format to **pellett@geosciencebc.com** by the time and date indicated on page 1 of this RFP document. Proposals submitted in response to this RFP will not be returned, and will be kept confidential.

Original Proposals submitted after this deadline will not be accepted. Each Proponent shall be responsible for the timely delivery of its Original Proposal. All components of a proposal must be received by the submission deadline.

Geoscience BC may extend the Submission Deadline by issuing an Addendum prior to the Submission

Deadline. Proponents who have confirmed their intention to submit a Proposal will be advised directly of any extension to the Submission Deadline.

ENQUIRIES / TIME EXTENSION TO THE RFP CLOSING DATE

All enquiries and other communications related to this RFP throughout the solicitation period shall be directed in writing only, by email, to Christa Pellett.

To ensure the equality of information among Proponents, answers to enquiries which are relevant to the quality of the proposals will be communicated to all proponents who have confirmed their interest in submitting a proposal. Such enquiries must be received at least two (2) working days before the submission deadline. A request for a time extension to the RFP submission deadline WILL NOT be considered.

VALIDITY OF PROPOSAL

Any cost estimates associated with the proposals must remain valid for acceptance for a period of not less than ninety (90) days after the submission deadline of the RFP. After the RFP closing date, no amendments to the proposal will be accepted. However, during the evaluation the Technical Authority may require clarification from or conduct interviews with the Proponents.

AMENDMENT OF PROPOSAL

A Proponent may amend its Proposal prior to the Submission Deadline by withdrawing its original Proposal and submitting a revised Proposal.

Geoscience BC may, in its sole discretion, seek clarification of any matter in a Proposal in any manner it considers appropriate including investigating the abilities and experience of a Proponent, seeking information from other parties about a Proponent, requiring Proponents to submit supplementary documentation and seeking a Proponent's acknowledgement of Geoscience BC's interpretation of the Proponent's Proposal.

APPLICABLE LAWS

Any contracts subsequently negotiated and awarded with respect to this RFP shall be interpreted and governed, and the relations between the Parties determined, by the laws in force in the province of British Columbia and the parties attorn to the jurisdiction of the British Columbia courts.

RIGHTS OF GEOSCIENCE BC

Geoscience BC reserves the right to:

- a) Reject any or all proposals received in response to this RFP
- b) Enter into negotiations with one or more Bidders on any or all aspects of its proposal;
- c) Accept any proposal in whole or in part;
- d) Cancel and/or reissue this requirement at any time;
- e) Award one or more contracts;
- f) Verify any or all information provided with respect to this requirement;
- g) Award contracts without competition for follow-on-work if any, to the successful Proponent for this requirement;
- h) Reduce or increase the overall RFP scope by up to 20%.

INFORMATION PROVIDED BY GEOSCIENCE BC

No representation or warranty, expressed or implied, is made and no responsibility of any kind is accepted by Geoscience BC, or its advisors, employees, consultants or agents, for the completeness or

accuracy of any information contained in the RFP Documents or that is provided during the RFP process or contract negotiation process, or under a contract that may be entered into, if any.

CHANGES TO THE RFP DOCUMENTS

Geoscience BC may, prior to the Submission Deadline, without liability, cost or penalty, alter the Submission Deadline and amend or supplement the RFP Documents by Addenda only. No other communications of any kind whatsoever will modify the RFP Documents.

COSTS OF PROPOSAL

The Proponent shall bear all costs and expenses with respect to the preparation and submission of its Proposal and any other activity pertaining to its Proposal, including its participation in the RFP process and contract negotiation, if any. Geoscience BC shall not be liable to pay any such costs/expenses regardless of the conduct or the outcome of the RFP process.

CONFIDENTIALITY

Geoscience BC and its partners will take all reasonable precautions to maintain the confidentiality of the information submitted by the Proponents, subject to any disclosure required by law. Geoscience BC reserves the right, however, to disclose the Proposal to employees, servants, agents, advisors and consultants of Geoscience BC and its partners and affiliates for the purpose of assisting Geoscience BC in evaluating the Proposal. The employees, servants, agents, advisors and consultants of Geoscience BC and its partners and affiliates will not be liable for any damages resulting from any disclosure before, during or after the issuance of this RFP and the submission of a Proposal.

Proponents will take all reasonable precautions to maintain the confidentiality of any information provided by Geoscience BC, subject to any disclosure required by law. Proponents reserve the right, however, to disclose the Proposal to employees, the servants, agents, advisors and consultants of the Proponent and its affiliates for the purpose of assisting the Proponent in preparing the Proposal.

NO PUBLIC STATEMENTS

Recipients of and Proponents to this RFP shall not issue any public statement or news release pertaining to this RFP without the prior written consent of Geoscience BC.

ABSENCE OF CONTRACTUAL OBLIGATIONS DURING RFP PROCESS

- (a) Geoscience BC shall have no obligation to enter into a contract with a Proponent in respect of the provision of Services that are the subject of this RFP. Geoscience BC shall only have obligations to a Proponent if it decides to execute a written agreement with a Proponent and such obligations shall be in accordance with the terms and conditions of that agreement as finalized between Geoscience BC and the Proponent.

- (b) Geoscience BC may, in its sole discretion, for any reason and at any time, take any action in respect of the Proposals it receives including:
 - (i) Entering into further discussions or clarification meetings with one or more of the Proponents;
 - (ii) Entering into any contract or contract negotiations with one or more of the Proponents;
 - (iii) Inviting any of the Proponents to participate in another competitive process to carry out the Services;

- (iv) Requesting one or more of the Proponents to supplement and resubmit their Proposal;
- (v) Accepting or rejecting any Proposal;
- (vi) Annulling this RFP process and rejecting all Proposals; or
- (vii) Annulling this RFP process and commencing a new process;

at any time without incurring any liability to any Proponent and without any obligation to inform Proponents of the reasons for Geoscience BC's actions. Nothing in this subsection or elsewhere in the RFP Documents shall impact or affect the validity of (a) and (b).

FURTHER INFORMATION, CLARIFICATION AND CONTACT INFORMATION

Requests for further information, clarification or for any other purpose related to this RFP are to be made by e-mail to:

Christa Pellett
E-Mail: pellett@geosciencebc.com

- (a) Proponents are responsible for seeking any clarification that they require well in advance (at least 2 working days) of the Submission Deadline. Geoscience BC shall not be responsible for any misunderstanding of the RFP Documents.
- (b) For all purposes related to this RFP, Proponents shall not contact or attempt to contact:
 - (i) Any Geoscience BC officer, employee, subcontractor, agent, representative, consultant or volunteer with respect to this RFP, **other than the Geoscience BC contact set out in subsection (a) above; and**
 - (ii) Any other prospective Proponent except for the purpose of discussing the possibility of submitting a Proposal as a Joint Venture.

METHOD OF SELECTION

Geoscience BC shall, in its sole discretion, use any evaluation criteria (whether subjective or objective), it deems suitable to evaluate the Proposals. In the event that Geoscience BC selects a Proponent for the provision of the Services, Geoscience BC will notify each Proponent in writing, and Geoscience BC's method of selecting the Proponents will remain confidential to Geoscience BC.

AGREEMENTS

Geoscience BC will confirm the business arrangement in the form of a Project Agreement to be drafted after selection of the successful Proponent(s).