

NOTICE OF AWARD

IFB 2019-1

The Mississippi State Oil and Gas Board received two (2) Bids for the plugging of ten (10) wells adjudicated by the Board to be “orphan” wells, located in Adams, Franklin, Hancock, Jones, Lamar and Wilkinson counties.

The two (2) bids received were from Oilfield Service & Supply Company, Inc., in the amount of \$465,635.00 and Black Jack Oil Co., Inc. in the amount of \$356,000.00.

Upon evaluation and review of the provided procedures included in each bidder’s bid package, and in reliance upon the expertise of the MSOGB’s technical staff, the Board, at its December 19, 2018 meeting, voted to award the contract for IFB 2019-1 to Oilfield Service & Supply Company, Inc., for the amount of \$465,635.00.

In evaluating the bid the Mississippi State Oil and Gas Board deemed the IFB submitted by Black Jack Oil Company, Inc. as nonresponsive due to its failure to meet the minimum standards required by the Oil and Gas Board’s Rules and Regulations for the plugging of two (2) wells in the IFB, specifically the Moss SWDW 31-11 No. 1 (23-067-20212) and the Allred-Lee SWD No. 1 (23-157-20868).

Plugging procedures submitted by Black Jack Oil Company, Inc. for these wells did not contain in its procedures the requirement for the base of the USDW to be perforated and squeezed with cement. The Mississippi State Oil and Gas Board’s specifications required the following for the plugging of Saltwater Disposal Wells:

A cement plug across all open perforations with a 100 foot excess above the perforations, a 100 foot cement plug inside and outside the casing beginning approximately 50 feet below the base of the (USDW) (as defined in Statewide Rule 63), and a 25 foot cement plug in all casing annuluses at the surface. All plug depths shall be verified by tagging and the casing above the USDW will be pressure tested to 500 psi. If casing is pulled, an additional cement plug of 100 feet shall be placed across the cut-off stub and 50 feet into surface casing. All casing and pipe cut off at least 3 feet below ground level and a steel plate welded on top.

At its February 6, 2019 meeting, PPRB approved Contract No. 8200043591. Oilfield Service & Supply Company Inc. will have until June 30, 2019 to complete the plugging of the ten (10) wells.

The contract is on file and available for public inspection in the Accounting Office of the Mississippi State Oil and Gas Board.