

TECHNICAL SPECIFICATIONS

for workover operations of the oil and gas wells at the fields of
PJSC “Ukrgezvydobuvannya”

1. Work description

The work shall be performed implementing the principle of contracting – “At the operating rate”

When estimating the cost of the Works, the following rates are applied, namely:

Service (variable) rates are divided into:

Operational rate of the Workover crew during work performance – 100% cost of the crew hourly rate.

Crew hourly rate (Well Workover/WO) - is 1 hour of the Contractor well workover Crew productive work.

Such operating time includes, but not limited to, the duration period of the following technologically necessary works:

- Well killing operations;
- Tripping operations;
- Drilling operations, including the production string back reaming;
- Production string reaming;
- Milling;
- Production string stack up;
- Fishing operations;
- Borehole washing;
- Bottom hole acid treatment, SAA (Surface Acting Agents) treatment, and etc.
- Repair and insulations works (RIW);
- Bottom-hole and the well's reservoir cleaning;
- BOP (Blowout preventer) mounting/dismounting;
- Christmas tree (Xmas) mounting/dismounting;
- Downhole equipment mounting/dismounting of the candidate well;
- Workover crew operational rate at technological stand by is 75% cost of the crew hourly rate;

Technological stand by is time spent on:

- WOC (waiting on cement);
- Outcome expectation of the geophysical survey interpretation;
- Well test results expectation after the fluid level reduction (well unloading), the well-killing fluid replacement at the wellbore;
- Pressure distribution expectation after WOC;
- Wellbore pressure equalizing;
- Chemical agents reaction after WOC performed;
- Waiting of the Client's decision making in terms of further work at the well;
- Jobs expectation performed at the well by the Client's third parties;
- Polymerization reaction waiting time;
- Technological sludge;
- Work performance on cable or wire (geophysical well logging/survey, perforating operations and etc.);
- Hydraulic fracturing of formation;
- Coil tubing operations;

Operational rate is applied starting from the moment of the rigging up completion and is valid until the commence rigging down.

One-time fixed rates are divided into:

- Rate for rigging up of the workover unit;
- Rate for rigging down of the workover unit;
- Rate on workover unit and a crew equipment mobilization (distance up to 50 km);
- Rate for each 10 km of the workover unit and a crew equipment moving-in (at a total distance of more than 50 km);
- Rate for the Equipment and the Contractor's Personnel mobilization to the rig site/work location (primary mobilization);
- Rate for the Equipment and Contractor's Personnel demobilization from the rig site/work location (final demobilization);

The rate for mobilization to the rig site shall be paid once for the primary mobilization of the Contractor's Equipment and his Personnel to the specified Work location. In the event if the Contractor is operating under a similar and like agreement with PJSC "Ukrgezvydobuvannya", the rate of mobilization is not applicable, in this case the "Rate for workover unit and a crew equipment moving-in» is applied.

The Contractor shall carry out workover operations at oil and gas wells using Workover Unit (hereinafter referred to as HWU) with a load capacity 125 tones, 160 tones, 180 tones that meets the requirements of this Technical Specifications (hereinafter referred to as TS) and Appendix No. 19 to the current Agreement and Workover Crew equipped with the appliances in compliance with "Workover Crew typical list of equipment" (Appendix No. 18), and includes, but not limited with the following works:

- Primary mobilization of the Workover Unit, Equipment, the Contractor's Personnel to the rig site;
- Workover Unit and equipment rigging up at the wellhead;
- Settlement of the camp (for shifting drilling rig crew);
- Workover Unit commissioning;
- Round-the-clock workover operations of the oil and gas wells;
- Various diameter coils and drilling pipes tripping operations;
- Fishing operations including reciprocation;
- Metal subjects milling;
- Sand plugs and cement sleeves drilling out;
- Pressure test of the casing columns, drilling tool, BOP equipment, wellhead equipment, annularы devices and other equipment by the Client request;
- Assistance and participation in conducting specialized work under the guidance of service companies and the Client, namely: hydraulic fracturing, geophysical studies of the well; fishing operations; coil tubing unit operations; transfer of the third parties equipment within the area of operations; installation of third party equipment at the rig site/work location of the Works and other specialized types of work.
 - Engineering and technological support of all operations performed by the Contractor.
 - Daily reporting.
 - Workover unit rigging down.
 - Cleaning the site.
- Demobilization of the Workover unit, equipment of the drilling team site to the next place of work.
- Final demobilization (after performing the Scope of Works specified in paragraph 2 of this Technical Specifications).

Note: The operations of the coil tubing unit, the hydraulic fracturing operations, geophysical survey performance and other services jobs shall be conducted by other contractors of the Client.

The workover unit shall be equipped with a crew, a drilling rig site camp, drilling tool (DP, HWDP), and BOP equipment (Appendix No. 18, Appendix No. 19 to the Agreement).

The Client may, at his own discretion, engage the service companies for additional work performance.

Wells workover operations, carrying out of all technological operations shall be carried out in accordance with the approved Operation Plan.

On the basis of the plan-order the Contractor shall compose the Operation Plan and the Client shall approve it.

The Contractor independently receives all licenses and permissions, in particular, licenses and permits for performance of activities, certificates of conformity and other documents confirming quality and safety, permits for the use of equipment, etc.

The date of works commencement

The Customer provides an additional written notice of the date of the primary mobilization. Estimated date the Works commencement is 01.03.2018.

Works location.

PJSC "Ukrgezvydobuvannya" gas condensate fields are located on the territory of Ukraine. The more detailed location of the Works is specified by the Client in the request form.

The surfaced roads or dirt roads. In the autumn-spring period there is a need of cross-country capacity transport.

All works shall be carried out at the gas and gas condensate wells with a design depths (TVD) from 3000 to 6000 m and a bottom hole temperature (BHT) up to 120 ° C.

2. Scope of work

The scope of work for one workover unit is a group of a number of wells. The agreement validity period is 18 months from the date of signing. Payment terms - monthly, within 30 days from the date of filled up and checked account.

The works are conducted starting at one well and under a condition of successful first well workover performance the following wells are to be provided to the Contractor. Similarly, the following wells are given from the group.

3. Requirements

The requirement to the Contractor

The Contractor guarantees that he has at least 1 (one) year workover experience at the oil and gas wells under a similar type of contract.

The Contractor shall ensure the workover units operations, the quality and complete set of which complies with the requirements of the current Technical Specification and Appendix No. 19 to the Agreement, as well as equipment in accordance with the "Workover Crew typical list of equipment" (Appendix No. 18 to the Agreement).

Service life of the workover units should be no more than 10 years.

The Workover Units are accepted after overhaul works performed on it, in the event if these works conducted no more than 5 years ago (if there are relevant documents that certify the overhaul works of all major units of the Workover Unit).

The Contractor shall guarantee that during the period of the Agreement implementation the proposed WU is available, free from any works and is not bound by the contracts for performing similar work with a third party.

The Contractor guarantees and ensures the timely mobilization of the WU to the Works location. The Contractor, at his own expense shall provide, install, maintain in good working conditions, inspect, repair or replace, where necessary, the Contractor's equipment. In addition, the Contractor provides a supply of all spare parts and materials necessary for the maintenance of the the Contractor's equipment. The Client is entitled to request a non-deductible list of spare parts and materials available at the warehouse and base of the Contractor, and to check their physical availability.

The Contractor undertakes (without increasing the Agreement total value) to conclude a contract with the specialized companies for inspection and the tools and equipment service in case of absence of the opportunity to carry out these works on their own capacity.

The Contractor provides a Workover crew whose qualifications are meet the requirements of this Technical Specifications (section 3.4).

The Contractor shall ensure the availability of engineering and technological personnel for round-the-clock processes support and the project coordinator who contacts the Client.

The Contractor shall ensure the delivery of personnel to the Work location, including a crewchange according to the schedule, previously agreed with the Client.

The Contractor provides the Contractor's personnel and Client with social welfare facilities: accommodation, meals, laundry, medical examination, potable water delivery, and etc.

The Contractor provides his own Personal with Personal Protective Equipment (hereinafter - PPE).

The Contractor independently receives all necessary licenses and permits for carrying out works in accordance with this Technical Specifications and the Agreement, which are provided by the legislation of Ukraine.

The Contractor provides himself with all necessary types of insurances, medical services and communication equipment at the time of the Agreement execution.

The Contractor undertakes to conclude an agreement with a specialized emergency rescue service with the contract validity term up to the end of the Works execution.

The Contractor shall carry out registration of the permit documents for travel of the personnel, equipment and cargo.

The Contractor makes purchases and delivery of the fuel and lubricants (hereinafter referred to as "POL" – petroleum, oil, lubricants) for the entire period of the Works' performance to ensure operations the complex of equipment and machinery by concluding purchase and sale contracts of POL.

The Contractor provides electricity for its personnel, the personnel and equipment of the Client and subcontractors (residential huts/mobile unit, workshops, equipment).

The Contractor ensures the availability of the diesel power plants for operation on the drilling rig sites, operations in the event of absence a power supply source from the grid.

The Contractor provides availability of the electronic indicator of weight with the registration of the following parameters: weight on the hook; weight on a bit (WOB); torque on the iron roughneck (break out tongs); torque of the rotary table; rotary table speed (RPM); tripping speed with data transfer service in online mode; the well's data storage is not less than 365 days.

The Contractor shall ensure the availability of the mandatory equipment for each workover crew in accordance with "Workover Crew typical list of equipment" (Appendix No.18 to the Agreement).

The Contractor provides the shelves and containers for materials and equipment storage of both their own and the Client.

The Contractor shall ensure that the access roads and the drilling rig sites are kept in good condition.

Upon works completed, the Contractor undertakes to dispose of all the waste obtained during the execution of the Works and to clean the land surface of the site and its access roads.

The Contractor shall carry out loading and unloading operations, moving within the working area of the necessary materials and equipment at the well by its own capacities.

The Contractor is obligated to adhere to the Procedure of the relationship between the technological control (supervision) services of PJSC "Ukrgezvydobuvannya" and subcontractors organizations who carry out works at the facilities of PJSC "Ukrgezvydobuvannya" (Appendix 12 to the Agreement).

The Contractor shall provide a Supervisor with a working place and accommodation on the drilling rig Site.

The Contractor shall ensure the availability at the works performance facility, a recreational mobile unit for the visitors of the facility (persons of the contracting organizations), with the possibility to accommodate of five persons.

The Contractor shall be responsible for the Works on the rig Site, and shall assist other contractors of the Client who provide the services.

The Contractor shall organize service base operations for the equipment maintenance and repair, or shall take lease of it. The service base shall be equipped and designed for the following: accommodation of transport and equipment in conditions that allow repair and maintenance of the equipment; placing a 24-hour dispatch service with a two-way communication; location of the equipment in conditions that ensure a proper inspection before its application.

The Contractor shall perform works under supervision of the Supervisor (DSV).

The Contractor issues a daily report and hand it over to the Client.

Quality Requirements to the works performed.

The Contractor is obligated to perform the works efficiently and economically reasonably in compliance with the requirements of the technology, safety procedures and procedures of the Client.

The Contractor is required to perform works in accordance with the Operation Plan agreed with the Client.

The Contractor shall ensure compliance with the requirements of HSE.

In order to ensure quality of the works, the Contractor is required to use only reliable, certified equipment, tools, qualified personnel and up-to-date technologies.

The Contractor provides quality of works for equipment installation and adjustment.

The Contractor shall be responsible for quality of the bottom hole assembly (hereinafter referred to as the BHA) and the necessary make-up torque values.

The Contractor shall be responsible for the continuous high-quality registration and handing over the wells workover operations actual data.

The Contractor shall be responsible for the calculation of the well depth in compliance with the tally of equipment that was run in hole.

The Contractor provides the technological process with equipment and special transportation means for the works performance under the Agreement, except the operations performed by the Client's service contractors (legal documents concluded by the Client and other persons). Elimination of the complications, accidents caused due the Contractor's fault are resolved at the Contractor's expense.

The actual works performance duration must not exceed a design one.

The Contractor is required to conduct a timely inspection and equipment maintenance belonged the Contractor.

In the event of unsatisfactory works performance, the Contractor shall be subject to penalty provision.

Requirements for list of equipment and a drilling rig unit specifications.

The Contractor is required to perform the Works applying the equipment that meets the requirements of the API standards.

All equipment must comply, but not be limited to, the requirements of HSE legislative and regulatory acts of Ukraine, "Safety Rules in the oil and gas industry of Ukraine" NPAOP (Regulatory legal acts on-the-job safety) 11.1-1.01-08, "Regulations for the installation of electricity generation plants-2014", the State Construction Standards "Engineering equipment of buildings and structures - natural and artificial lighting" (DBN V.2.5-28: 2006).

All equipment and materials provided by the Contractor must have appropriate certificates of conformity, permission for use in the territory of Ukraine in accordance with the requirements of the Legislation. The workover unit, pressurized vessels, that operating under high pressure, hoisting machinery of the Contractor shall be supplied by the Contractor for the temporary registration in the oversight authority (regulatory body).

The list of equipment, specifications of the workover units' equipment and technical support of the workover crews must comply with the requirements stipulated in Appendix 18 and Annex 19 to the Agreement.

The Contractor shall provide the workover units and materials necessary for the execution of the works as well as to ensure the Contractor's personnel with all necessary supply essential for the operations until the end date of Mobilization (or other date agreed by the Parties).

The Contractor shall obtain all permits for the equipment use.

The Contractor shall guarantee that all equipment will be suitable throughout the entire duration of works.

The Contractor is responsible for the quality and performance of the Contractor's equipment.

It is considered that the Contractor is ready to perform the works, when all its equipment is located at the Work location in complete set, installed and checked by the commission of the Client, as well as that the residential compound is ready for use.

The Contractor's workover units shall be sophisticated, well-designed and equipped for drilling, workover and completion operations of the oil and gas wells.

All equipment must be designed for continuous operations and must be fully prepared for winter conditions utilization.

All instrumentation devices and safety valves must be checked. All equipment of the Contractor must be verified by him prior its use, the appropriate periodic maintenance should be implemented, and all necessary types of technical inspections and tests should be ensured.

Personnel qualification requirements

The Contractor is obliged to ensure that the Works Performance is provided by the Personnel with the appropriate qualification and in strength necessary for the Works performance in a proper manner.

The qualification of each Employee from the Contractor's Personnel staff should meet the requirements demanding by the Client regarding to the employees who carry out the Works and the requirements of the current legislation of Ukraine.

The Contractor prior to the works execution is obliged to involve the employees who have a continuous experience in the Works performance for the last years of activity, and which should be the following:

- for engineering and technical employees (technologists, mechanics, power engineering, HSE engineers), senior tool pushers, pushers, drillers, equipment mechanics should be not less than 3 years;

Key staff and designated responsible workers from the Contractor's Personnel, who is responsible for direct coordination with the Supervisor, the Customer's representatives, inspectors of the state controlling authorities, must be fluent in Ukrainian language or the Contractor is required to provide the necessary translators. The employment of the Russian-speaking Personnel is allowed.

The statutory membership and number of the Contractor's personnel are specified in Table 1

#	Position/Qualification	Number		
		shift	Per day	Total: Workover Crew
Key staff				
1	Fishing operator (complicated works)	1	1	1
2	Workovers Tool Pusher	1	2	2
Basic staff				
3	Driller	1	2	2
4	Driller assistant (1-st)	1	2	2
5	Driller assistant (2-nd)	1	2	2
6	Driller assistant (3-rd)	1	2	2
7	Equipment mechanics	1	2	2
Total:		8	13	13

The Contractor is obliged to provide the Client with a list of the personnel to be engaged in the Works, as well as the supporting documents regarding the employees work experience. The Contractor shall constantly ensure the maintenance of labor discipline and order among his staff.

In each crewchange the Contractor should organize fire fighting team consisted from the crew members.

The Contractor is obliged to receive, extend and maintain at his own expense for the Contractor's personnel all necessary visas, work permits, residence permits, certificates, licenses, passes to the facilities, passports and other documents required by the Ukrainian legislation. The Contractor shall promptly ensure obtaining of the listed documents in order to prevent delays in the Works performance.

Prior to the Works performance, the Contractor shall ensure that the members of the Contractor's staff have legally valid documents certifying the following:

- physical fitness in terms of health conditions to perform the appropriate type of work (medical and narcological inspection);
- attending of the annual training on HSE and fire safety issues;
- attending training on Well Control management in case of oil, gas and water inflow and the well blowout safety;
- professional qualification (education), as well as any other documents necessary for the Contractor to perform the Works required by the legislation of Ukraine.

The Contractor shall be accountable all the time for each member health conditions of the Contractor's Personnel.

Rotational (crewchange) camp requirements

The Contractor shall construct and maintain at his own expense on the Work location a rotational (crewchange) camp and other temporary facilities necessary for the logistics provision of the works and household maintenance of the Contractor's personnel. The Contractor shall provide the Contractor's staff with accommodation, meals, bed sheets, household and other services.

The rotational camp should include the following:

- Residential premises;
- Dining room (cooking room and meal room);
- Household facilities (Laundry; Shower room; Storage and drying clothes for overalls; Premises for drinking water storage; Toilet);
- Office premises;
- Warehouses;
- Containers for garbage and waste.

The design and construction of all premises must comply with the sanitary and hygienic standards of Ukraine.

All premises must be equipped with a fire alarm system.

The Contractor shall provide a staff of the service companies with a working premise as requested by the Client.

Reporting Requirements.

Mobilization plan.

The Contractor shall provide the Customer with a detailed plan of mobilization within 3 working days from the date of the Contract signing, which specifies the order and time/delivery terms of the workover unit (units), consumables, equipment, drilling and all necessary tools and personnel.

Mounting and dismantling of the workover unit (units).

Prior to mounting and dismantling of the workover unit (units), the Contractor provides a detailed operation plan 3 (three) days before to the works commencement.

Workover unit (units) moving-in.

Prior to the moving-in of the workover unit (units), the Contractor shall provide the Customer with a detailed movement plan within 3 (three) days before the works commencement.

Daily Reporting:

The Contractor during the process of the works performance shall maintain a complete and accurate records and shall prepare a Daily Drilling Report (hereinafter - DDR) that describes all information regarding the works performed during the day (from 00:00 to 24:00, 00:00 to 05:00) concerning the well and displays all the technological parameters of the Works.

The Contractor should agree a DDR template with the Client.

On the daily basis, by 6:00 a.m., the Contractor should send a DDR in a real time (e-mail or fax). The list of addresses for sending of the DDR is provided by the Client.

Timely and complete submission by the Contractor of the DDR is a prerequisite for acceptance by the Client of the Works Performed by the Contractor.

All information displayed in DDRs should be presented in the national language, and may also be duplicated in English.

Workover unit Inspection.

In the course of the works, the Contractor should conduct weekly checks of the workover units, a crewchange camp or any equipment at the request of the Client and should provide the Representative of the Client with a weekly report in terms of the facility industrial safety in two copies. The form and template of the report must be agreed between the Client and the Contractor.

Time distribution Report.

This report should be generated by the Representative of the Client (Supervisor) on the Work location. The report is composed once a month per one well.

A time distribution report should be signed by the Representative of the Contractor and the Client. A time allocation is agreed by both Parties before submission any invoices to the Client. The report should display all non-productive time (NPT).

Incident Report

In the event of any incident (in accordance with the definition below), the Contractor shall promptly inform the Representative of the Client and provide him with the Incident Report as soon as possible.

Incident is considered as any accidental or unexpected event that caused the injury (or death) of people or the loss or damage to property, including all personnel or property of the Client, oil and chemical agents spills, etc.

Site delivery-acceptance Act

Prior to the works commencement, the Contractor should accept a Site, and, upon completion of the Works, should return it to the Client in due condition. In both cases, a Site delivery-acceptance Act (return) of the site shall be prepared and signed by the Parties.

Mandatory documentation for the well data base.

The Parties will jointly compose the necessary information for preparation and submission by the Contractor of the following mandatory information:

- Plan-Order.
- Basic and additional operation plan including the plans of the geophysical well logging/survey, perforating operations and hydraulic fracturing and well completion.
- Act on the well hand-over, well head equipment and territory for the workover (completion).
- The Act of Christmas tree pressure test at the wellhead.
- Act for dismantling of the fixed wellbore lines (with the status and completeness of dismantled equipment).
- Acts of Acceptance of the pressure tests for compression, discharge and flare lines.
- Permission of the blow-out prevention service to perform works on the well killing.
- Certificate of control of measurements of killing liquid parameters (Appendix certificates for chemical reagents used).
- Act on the non-freezing liquid.
- Act on the well killing (with the obligatory parameters presentation, modes and the well killing result).
 - Act on technical sludge after the well killing with control and presentation the well head parameters.
- Act Christmas tree equipment dismantling.
- Permission of the blow-out prevention service for the master valve (lower master) dismantling.
- Act for the master valve and flange adapter dismantling displaying the state of the equipment.
- The Act BOP pressure test (with the mandatory indication of the pressure test conditions).
 - Act for the packer breakdown (with the diagram appendix, signed by the representative of the Client).
- The Tally of the POOH tubing.
- Act for the extraction and inspection of the wellbore equipment.
- Act of the initial screening of the lift tubing.
- Act for handing over of POOH tubing.
- Act of inspection and packer hand-over.
- Act of determining the actual bottom hole.
- Laboratory analysis, certificate for cement and used materials.
- Certificate of installation of a cement bridge.
- An act for determination, pressure test or a cement bridge drilling-out.
- Act on adjusting, reaming, wiper trip of the wellbore (liner).

- Act on production string pressure test.
 - Act on production string slushing.
 - Act of the well readiness for the geophysical well logging/survey, perforating operation, shooting, etc. (with depth installation indication and standard sizes of the borehole equipment).
 - Act on the geophysical well logging/survey.
 - Act for defining the bottom hole depth based on geophysical data, a packer hooking up, a perforation system, production string state, CBL, GKLM (gamma logging), etc.
 - The act on BOP pressure test, a wireline pressure-control equipment.
 - Permission of the blow-out prevention service on carrying out of perforation-shooting operations.
 - Act for performing of perforation-shooting operations, a corresponding report (layout diagram of the perforators assembly, perforation intervals, date and time of starting - completion of works).
 - Act of the perforators inspection after POOH.
 - Act on packer assembly RIH with a layout.
 - Act on the wellbore equipment assembly.
 - Act for coil tubing pressure test.
 - Act for the packer activating / mounting and pressure test.
 - Act on the reservoir injectivity determination.
 - Act on the well readiness and delivery- acceptance for fracturing.
 - Act on the well and site area handing-over after the workover (completion).
 - Closing wellbore report.
 - Passports, certificates for all RIH and wellhead equipment.
 - Tally and layout of each run in a hole tool (with indication of the items name, length, diameters, etc.).
 - Acts on incidents investigation (with the appendix of primary documentation, including photos).
 - Acts on performed PIP, replacement, revision, the wellhead equipment pressure test.
 - Printing of IBE histograms for the operations performed for the entire period of works on a well.
- All the above-mentioned acts should be signed by representatives of the both Parties, which are directly responsible for the execution of works.

The Contractor is obliged to agree the forms of the acts with the Client. The operation plans are agreed by the Client.

Performance report

The Contractor shall prepare a Monthly Review and Classifier of NPT (non-productive time) applying the form and in accordance with the Annex to the Agreement and shall submit it to the Client by the 5th (fifth) day of the month following the reporting period.

Notes:

All reports mentioned in this Technical Specifications must be provided in a format agreed upon with the Client.

The Contractor is obliged to provide the Supervisor with Reports, Operation Plans and other documents for its inspection that are drawn up in the course of the works

HSE Requirements

The Contractor is obliged to comply with the requirements of the legislation of Ukrainian in the field of industrial safety, occupational safety and environmental protection, as well as regulatory documents of the Client during the Works performance. The Contractor must meet or override the standards and laws that are in force in the territory of Ukraine.

The Contractor shall be responsible for the implementation of the necessary measures for the protection of labor and for the safe Work performance.

The Contractor shall provide the Client with copies of the orders appointing the persons responsible for the following:

- labor safety;
- fire safety;
- safe maintenance of electrical power plants, load-lifting machines and mechanisms, boilers, pressure vessels, etc.;
- issuance of the permits to work.

The Contractor is obliged to appoint responsible persons from the number of qualified personnel for connection and safe operation of the electrical tools.

In order to perform the works, the Contractor is required to involve only qualified and trained in terms of HSE workers, to give permission to work for the workers provided with overall, special footwear, protective helmets, mounting belts and other means of individual (PPE) and collective protection, as well as those who have attended a special training (fire fighting technical minimum).

The Contractor should timely construct a protective fencing of pits and trenches, stairs and crosswalks, etc.

When working under exposure of dangerous and harmful factors it is necessary to install the signs of danger.

Do not dismantle the fences installed by the Client without receiving from him a proper approval.

The Contractor is accountable, in accordance with the current legislation of Ukraine, for violating the fire safety requirements, as well as should indemnify the losses caused to the Client as a result of a fire or accident occurred at the facility due to his fault.

In case of violations of the HSE and fire safety requirements the Client preserves the following rights:

- to suspend the Contractor works until a complete elimination of the violations committed;
- immediately terminate unilaterally the Agreement in the event of a systematic violation of the requirements of labor protection during the execution of works.

The Contractor is obliged the following:

- Ensuring that all necessary licenses and permits for the works execution are available and valid.
- Ensuring the HSE goals obtaining by allocating a relevant financial and human resources.
- Providing (using) a safe equipment, personal protective equipment (PPE).

- Ensuring HSE service availability.
- Carrying out a works schedule before its performing starting to ensure its safety.
- Ensuring an effective risk assessment system.
- Ensuring the functioning of the system of Permit to work during the work performance.
- Providing an adequate fire safety.
- Implementing the plans for conducting audits and inspections.
- Ensuring the existence of ERP (Emergency Response Plan), which must be agreed with the Client prior to the start of the Works.
- Ensuring that an emergency response system is in place.
- Organizing the training in accordance with the developed and approved relevant plan.
 - Ensuring an alerting, registration and accounting of the all incidents, accidents and other incidents to identification the key causes, specifying the corrective corresponding measures and reducing their number.
- Ensuring that all instructions for the safe work performance are carried out.
- Organizing the efficient ways of information communicating (pre-job safety meetings, safety bulletins, newspapers and relevant safety information) as a part of program of active participation and coordination of the relationships between the working personnel and management.
- Warning the Client before delivering a potentially hazardous agents / materials to the worksite.
 - Ensuring and maintaining the availability of the Material Safety Data Sheet (MSDS) for all hazardous substances used during the Works. The Works must be performed in accordance with the specifications and other requirements of these Material Safety Data Sheets. Copies of these passports must be submitted (passed) to the Client.

The Contractor's obligations include the following:

- Organization of maximum protection of the workers' health, reduction of risk during works performance and environment protection.
 - Provision of safe working conditions for all workers, in terms of health and safety of others and environment protection.
 - Ensuring the workplaces certification.
 - Ensuring the availability of the employees insurance contracts against the accidents.
 - Ensuring the existence of an insurance contract for civil liability of the vehicle owners.
 - Ensuring the availability of anti-alcohol and anti-drug policies, informing the staff about the rules and designated places for smoking.
 - Ensuring the training process for all staff on the courses including of at least the following:
 - the workers' professions;
 - the industrial safety;
 - the provision of the paramedical first aid;
 - safe operation of pressure vessels;

- safe operation of the load-lifting mechanisms;
- safe conduct of work with precursors;
- the fire-technical minimum;
- and so on, since the specified minimum list.
- HSE pre-job safety meetings on all relevant facilities / workstations for all its personnel and personnel of the service organizations involved in the operations,
- Provision by the necessary means of PPE, at least according to the corresponding technical specifications of the Client.
 - Provision of personnel as a preliminary and annual medical examination, as well as pre-shifting.
 - Ensuring availability of the operating instructions for all equipment, factory logs, manufacturer's certificate of conformity, drawings and book of spare parts, corresponding passports.
- Ensuring the availability of all necessary logs:
 - Checking the HSE status;
- all types of safety briefings
- visual inspection of cargo grip devices;
 - checking of safety devices;
- control of the air environment;
 - watchdog;
 - registration of the Works Permits;
- accounting for the consumption and disposal of the used technical liquids.
 - every shift inspection and repair of equipment and records of the diesel engines;
 - control checking of the pressure gauges (for vessels operating under pressure);
 - Shift / crewchange journal on pressure vessels;
- registration of persons who are at the facility;
- inspection of the manual, electric and pneumatic tools;
 - and others, as specified minimum list.
 - Ensuring that all necessary safety devices are available.
 - Appointment of the responsible persons and ensuring the availability of appropriate orders for handling operations, fire safety, safe operation of pressure vessels, steam and hot water boilers, safe operation of electrical equipment and instrumental and etc.
 - Ensuring a traffic safety in accordance with the Traffic Regulations and the rules of the Client, including a winter period.

Requirements in terms of environmental protection and sanitary and epidemiological standards:

- The Contractor must comply with the requirements in the field of environmental protection and sanitary-and-epidemiological standards of Ukraine, which are not described in this technical specifications.

- The Contractor must have an environmental permit for environmental emissions, which should take into account - the location of the facility and volumes of pollutant emissions in the area of operations (sources of pollutant emissions from the Contractor's equipment).
- The Contractor, where it is applicable, is responsible for restoring the lands used or disrupted by the Contractor under the agreement. This includes the removal of the remaining Contractor's equipment, materials and waste. Upon completion of the works, the workspace on which the Works were performed should be handed over to the Client in due condition.
- In case of spillage of oil, oil products, discharge of combustible and chemical reagents, waste to the environment, the Contractor is obliged to take all necessary measures to eliminate the damage caused to the environment, as well as to carry out the restoration works.
- The Contractor is responsible for making payments for emissions to the environment from the sources used for the Works.

The Contractor must have the following:

- Program for production waste management and consumption;
- Passports of hazardous wastes of production and consumption;
- Plan of measures on environment protection;
- Program of production ecological control and monitoring;
- Contract with the specialized exporters for disposal / recycling / destruction / burial, etc. waste of the production and consumption.

The Contractor shall ensure at the area of Site the collection and temporary storage (placement) of production and consumption wastes on special industrial sites corresponding to the level of hazardous waste. Wastes, as their accumulation are collected in a container designed for each waste group according to the hazard class.

An industrial site for the temporary storage of waste from production and consumption should be located on the territory of the drilling site and crew camp from the leeward side.

The Contractor must provide a sealed storage device for collecting sewage (household waste water) on the territory of the site and the crew camp. It's necessary to avoid overflow of the storage device with household waste and promptly take out based on the contract with a specialized enterprise at the drainage station and / or at its own expense. Also, the Contractor keeps a constant record of water consumption for household needs.

The Contractor, in accordance with the schedule, should carry out an internal production environmental control and monitoring at the site.

On the territory of the facility, the Contractor must provide the mobile sanitary facilities, showers, premises and equipment for the heating provision of the workers, premises and devices for drying overalls and footwear, in hot climates the equipment for cooling up the workers.

Exhaust pipes (mufflers) from diesel engines on the WU should be taken out taking into account the dominant wind direction.

The staff of all production facilities must be provided with hot meals.