

California State Lands Commission
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**SOLICITATION
FOR
STATEMENTS OF INTEREST**

August 24, 2017

Bid Log Number: 2017-04
Title: Becker Well Onshore Engineering Consultant
File Ref: W26911

PROSPECTIVE ENGINEERING CONSULTANTS

Pursuant to Government Code section 4526, the California State Lands Commission (CSLC) announces its need to retain an Offshore Oil & Gas Drilling Engineering Consultant to prepare a detailed engineering analysis and plug and abandonment (P&A) plan, and to execute the plan to plug and abandon the Becker onshore well, located on Summerland Beach, Santa Barbara County.

Overview of present well conditions and historical activities:

The Becker onshore well is a legacy oil well that was developed sometime between 1890 and 1910. A USGS survey in 1994 and subsequent excavation of the Becker onshore well confirmed the well was leaking oil into the surf zone of Summerland Beach. Since that time, the well has been documented to leak between 10 to 15 days per year at low tides in the spring and fall seasons, and when strong tidal action removes sand cover.

In October 2015, the CSLC conducted Phase 1 of the Project to locate and excavate the Becker onshore well. The Becker onshore well is one of several legacy oil wells that were not abandoned pursuant to the regulations and technology in use today, and that are leaking into the marine environment. The October 2015 excavation provided CSLC staff and its contractors with the exact location, pipe size, general condition of the casing, and general suitability for a conventional abandonment.

Findings of the well investigation and assessment are summarized below.

- The top of the well casing is 4 feet below the beach surface during the winter months at low tide, meaning that the site is only accessible at extremely low tide.
- CSLC staff discovered a piece of 2-inch pipe buried alongside the well casing. The purpose of this tubing is unknown (it may be grout piping used to pour cement into the well, or debris left alongside the casing when the well was initially abandoned).
- The Becker well casing was calipered at 7-3/4 inches.1.
- The pipe appeared to be of good integrity given its age (more than 100 years old). CSLC engineering staff believes that the pipe should support installation of a riser, which is a key component in facilitating proper abandonment.
- Cement exists at the surface on the inside of the casing; however, since no records exist for the Becker onshore well, the length of the cement plug and information on what lies below the plug are unknown.
- No cement was visibly present on the outside of the exposed casing. Because an excavator could move the casing back and forth, CSLC engineering staff concluded that no cement is anchoring the pipe anywhere near the surface.
- Past oil migration to the surface likely occurred through the un-cemented annular area around the pipe.

The CSLC is both the Project proponent and lead agency under the California Environmental Quality Act (CEQA) for Phase 2, the Becker and Legacy Wells Abandonment and Remediation Project (Project). At its August 17, 2017 meeting, the CSLC certified the Final Environmental Impact Report (EIR) for the

[Becker and Legacy Wells Abandonment and Remediation Project](#) (SCH No. 2016101008; CSLC EIR No. 79), a copy of which can be found at the CSLC website: www.slc.ca.gov.

I. Description of Project

The Project will require the preparation, in close consultation with CSLC engineering staff, of an engineering well abandonment plan for the Becker onshore well consistent with all existing regulations. Given the age and limited data on the Becker onshore well, any potential engineering firm will need to develop innovative approaches for the plug and abandonment plan and execution of the plan. Coordination with Division of Oil, Gas and Geothermal Resources (DOGGR) will be necessary because it is likely that the abandonment process will deviate from normal DOGGR abandonment standards. In such cases, an abbreviated abandonment approved by CSLC and DOGGR staffs will be discussed and implemented. Contingency plans will be necessary since the downhole conditions of the Becker well are unknown and junk present in the well hole or irregularities with the well casing (e.g. a parted casing) could prevent the well bore from being cleaned out to a 100-foot depth. This is not unusual for a well abandoned to essentially non-existent standards in the early 1900s. Finally, the engineering firm will be tasked with executing the developed abandonment program, including cementing of the casing on the outside since this is where the leak is originating.

Project planning will require the awarded firm to use the information available from CSLC's assessment, the Final EIR, and other available information, to review the proposed access alternatives identified in the Final EIR and to prepare engineered contingencies in the event that that the proposed access alternatives are not viable.

II. Description of Work:

A) Development of an Engineering Well Abandonment Program

The firm will need to develop an engineering well abandonment program to safely plug and abandon the Becker onshore well. The plan will require approval and coordination with the CSLC and DOGGR and should include contingencies to account for the age and unknown condition of the Becker onshore well.

B) Execution of the approved Engineering Well Abandonment Program

The various approaches to the work can be found in the CSLC's Final EIR, but the environmentally preferred option for the Becker well abandonment is expected to require a jack-up barge, approximately 80 feet by 100 feet in size (to be determined by equipment spread, needs, and weight loading according to engineering calculations at the time), that would provide access to the Project site from the ocean and would be used during all construction activities at the well, including well abandonment. In addition to staging and breakdown, Project construction activities would occur in three main phases:

- (1) Construction and installation of a double-walled cofferdam in the surf zone around the well to isolate it from ocean tides and provide access to the well.
- (2) Well abandonment using the jack-up barge.
- (3) Cofferdam removal.

As contemplated in the Final EIR, a minimum of three round trips between the Port of Long Beach (POLB) or other suitable port (Port Hueneme), and Project site would be required to deliver and remove the cofferdam and abandonment equipment and materials. Upon completion of a given activity, the barge would be towed back to the selected port to prepare for the next Project phase. The estimates for work anticipate 3-4 weeks of activities, best case, assuming no weather-related interruptions or delays due to unforeseen issues with the condition of the 100+ year old wellbore.

C) Staging

CSLC staff believes the following activities will need to be performed by the firm, but the firm's professional judgment is needed to design and finalize the activities for staging both onshore and offshore:

- Offshore bathymetric survey conducted prior to Project implementation to ensure safety of the jack-up barge deployment
 - Prior to barge operations, the contractor would conduct a bathymetric survey of the ocean floor to confirm that a fully loaded barge can be floated into position. The survey would also determine at what levels the tide must be in order to bring the barge in or remove the barge. The bathymetric survey, completed when the water level is sufficiently high, would involve shallow draught vessels fitted with echo sounders. When the water level is low enough to

expose the area, survey lines may be walked by a surveyor equipped with a high accuracy GPS system or driven via a GPS equipped all-terrain vehicle.

- Emergency oil response equipment as specified in the oil spill contingency plan.
- Barge for well isolation (cofferdam construction), well abandonment activities, and cofferdam removal deployed to location.

1. Controlling Factors

Tides and Ocean Conditions

The ability to bring the barge onto the beach or remove the barge from the beach is dependent on ocean conditions and the stage of the tide. Inclement weather, such as storms or large waves, may affect barge maneuvering and delay the schedule. Since ocean conditions are near impossible to predict, Project commencement would depend on ocean conditions. In contrast, tides can be predicted, and advanced planning would minimize problems with scheduling due to tides. Barge arrivals and departures would correlate with a high tide level, which is necessary to allow the barge to float into position. Appendix G to the Final EIR provides the tidal charts for Santa Barbara region from the period of 2017 to 2019. A contractor will take into account the depth necessary to safely navigate the barge and the best timeframes for the execution of the project. CSLC staff seeks the execution of the project during the 4th quarter of 2017.

Barge Anchor Placements

Plans to anchor the barge are required and should be consistent with the Final EIR. At present staff believes that the barge would be anchored at four locations: two on the beach and two offshore. Access to the beach area from the Lookout Park access road would be required to deliver construction equipment and onshore anchors and for access by support trucks.

Employee Access to the Barge

Staff believes that generally employees would access the barge from the tug boats arriving from the Santa Barbara Harbor. However, in the event that the contractor and their employees will need to access the barge from onshore, access plans from Lookout Park need to be developed.

D) Cofferdam Installation

Once the barge is positioned, the first step in the construction phase of the Project would be to design and install a cofferdam around the well. The cofferdam will help to isolate the well area from the ocean and reduce the threat of spills or releases of oily material into the ocean. It is expected that the cofferdam would be placed around the Becker onshore well provide coverage sufficient to expose the well to a minimum depth of 10 feet below the mudline.

Once the cofferdam design is finalized (i.e. prefabricated vs. built onsite), the Final EIR estimated that it would extend approximately 15 to 20 feet above the beach surface and would be driven downward 20 to 30 feet into the sand.

CSLC staff anticipates that any sand removed from excavation of the Becker well would be stored onsite (e.g. within the cofferdam) and would be unprocessed before being filled back into the excavation area when work is completed. Plans to limit likely leakage from the cofferdam to the surrounding environment will need to be developed and finalized in close coordination with staff and other regulatory agencies. Extreme hardness of the bedding and/or the discovery of buried remnants of historical operations (metal parts, etc.) could extend the installation schedule of the cofferdam.

E) Well abandonment operations

Abandonment operations would involve barge arrival and anchoring, well abandonment, and barge departure from the beach. The firm would need to execute its designed engineering well abandonment plan, approved by CSLC's staff.

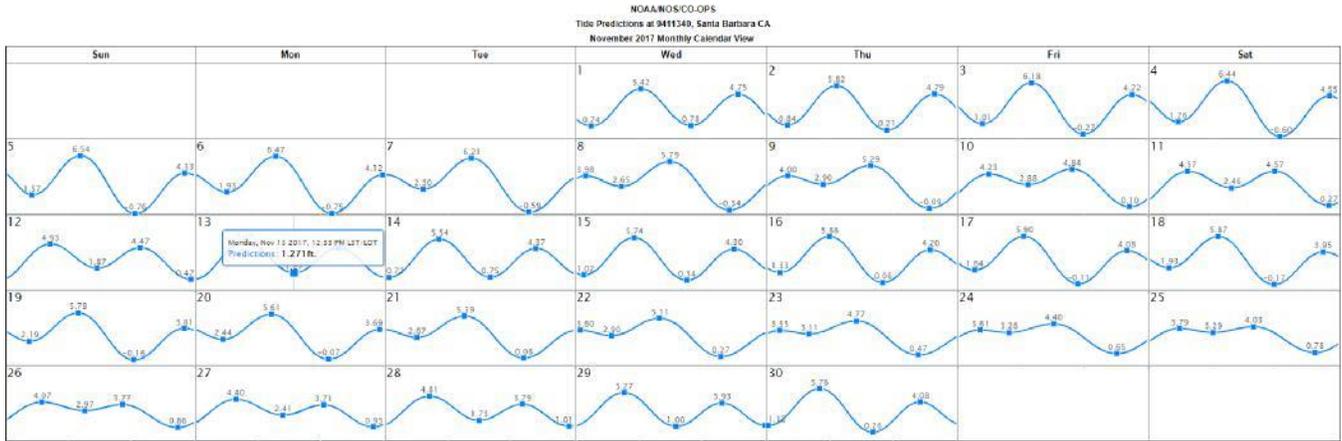
F) Cofferdam removal

After the barge is positioned for the third time, cofferdam removal would begin. The pile driver system attached to the crane on the barge that was used to install the cofferdam's interlocking sheet piles would also be used during plate removal, with each sheet pile being lifted with the vibratory driver and

placed on the barge. Once all sheet piles have been removed, the sand removed from inside the cofferdam would be filled back into the exaction area.

III. The Proposed Project Schedule

CSLC staff anticipates that the project could be completed within an approximately 30 day schedule starting as early as November, weather permitting, depending on the tide schedule. See the example below.



Phase	Onsite Week 1 Build Cofferdam	Onsite Week 2 Abandon Well	Onsite Week 3 Remove Cofferdam
<i>Equipment</i>	(Labor 24 hrs/day)		
Barge in Transit			
Crane			
Pile Driver			
Workover Rig			
Oil Spill Trailer			
Logging Skid			
Cement Pump			
Cement Bulk			
Welding Rig			

Build Cofferdam

- Barge in Transit
- Crane
- Pile Driver
- Oil Spill Trailer

Week 1

Abandon well

- Barge in Transit
- Workover rig
- Oil Spill Trailer
- Logging Skid
- Cement Pump
- Cement Bulk
- Welding Rig

Week 2

Remove cofferdam

- Barge in Transit
- Crane
- Pile Driver

Week 3

Labor 24 hrs/day

IV. Minimum Requirements

A) All work shall be performed under and approved by Contractor's Professional Engineers, who shall provide the final Engineering Reports bearing a registered Professional Engineers seal or stamp and shall be otherwise submitted in accordance with the terms of the contract to the State's Designated Project Manager. The responsible party (firm) shall have a minimum of 15 years of experience in the field of petroleum or mechanical engineering with an emphasis on California offshore oil fields, offshore facilities, and oil and gas production and processing plants. Any non-licensed electrical engineers involved in this project may do so only under the close supervision of the licensed engineer described above.

B) Contract Bonds - The successful firm awarded the contract will be required to furnish a payment bond. The payment bond shall secure the payment of the claims of laborers, mechanics, or material-persons employed for work under the Agreement. Upon award of contract, the Contractor shall furnish a payment bond made payable to the "California State Lands Commission" in a sum equal to \$2,000,000. The payment bond must be issued by a company authorized by the California Insurance Commissioners to transact surety business in California.

C) Insurance - Contractor shall be required to provide evidence of coverage for the following:

Commercial Liability Insurance - Commercial general liability insurance at least as broad as the most commonly available ISO policy form CG 0001 covering bodily injury, property damage and personal injury and with limits not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. Said policy shall apply separately to each insured against whom any claim is made or suit is brought subject to the Contractor's limits of liability. The policy shall include the State of California, its officers, agents, and employees as additional insured.

Vehicle Liability Insurance – The Contractor shall maintain motor vehicle liability with limits of not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle including owned or hired. The policy shall include the State of California, its officers, agents and employees as additional insured

Worker Compensation Insurance - Contractor shall maintain statutory worker's compensation, and employer's liability coverage in the amount of \$1,000,000/employee/disease/each accident, for all its employees who will be engaged in the performance of work on the Property, including special extensions where applicable.

Each policy of insurance required by this provision shall: (a) be in a form, and written by an insurer, reasonably acceptable to the California State Lands Commission; (b) be maintained at Contractor's sole expense; and (c) require at least thirty (30) days written notice to the State prior to any cancellation, nonrenewal or material modification of insurance coverage. Insurance companies issuing such policies shall have a rating classification of "A-" or better and financial size category ratings of "VII" or better according to the latest edition of the A.M. Best Key Rating Guide. All Insurance companies issuing such policies shall be licensed to do business in the State of California.

Evidence of the required coverage is to be an original certificate of liability insurance with the California State Lands Commission as the certificate holder. In addition to a certificate, the additional insured endorsement is needed for the commercial general liability policy, and the waiver of subrogation endorsement is needed for the workers' compensation policy.

D) Subcontractors/Special Services: When subcontractors or special services are required in performance of the work and have been approved in the work plan, the Contractor will be compensated for invoiced costs of the services plus markup cost not to exceed 5 percent. Said markup shall reimburse the Contractor for profit and additional administrative costs, and no other additional payment will be made by reason of performance of the work by a subcontractor.

E) Accident Prevention: Precautions shall be exercised at all times for the protection of persons (including employees) and property. These shall include, but are not limited to, the installation of adequate safety guards and protective devices for all equipment and machinery, whether used in the performance of work or permanently installed as part of the work. The contractor awarded the agreement shall comply with all applicable laws relating to safety precautions, including the safety regulations of the Division of Industrial Safety in the California Department of Industrial Relations.

F) Work Site Inspection – The Contractor shall at all times permit the Owner's Representative and any other authorized agents to visit and inspect the work at the workplace.

- G) Permits - The Contractor shall be responsible for obtaining the required permits from appropriate agencies for the performance of work except those as specified in the Scope of Work and Specifications. Specifically, the State shall be responsible for obtaining permits and authorizations from the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, and the Coastal Commission if required. The Contractor shall be responsible for well abandonment permits (Division of Oil, Gas and Geothermal Resources) hauling permits, air quality permits (if required), waste disposal permits, and other permits specific to the Contractor's work.
- H) State's Rights to Stop Performance - If the Contractor fails to correct the Work which is not in accordance with the requirements of the Contract Documents or fails to carry out the work in accordance with the Contract Documents or permits; or fails or refuses to provide a sufficient amount of properly supervised and coordinated labor, materials, or equipment so as to be able to complete the work within the Contract time; or disregards the instructions of the Owner's Representative when based on the requirements of the Contract documents; the State may order the Contractor to stop the work, or any portion thereof, until the cause for such order has been eliminated; provided however, the right of the State to stop the work shall not give rise to a duty on the part of State to exercise this right for the benefit of Contractor or any other or entity and any delay resulting from such work stoppage shall not extend any milestone date identified in the Contract or the required dates of substantial or final completion.

V. Submission of Statement of Qualifications and Performance Data

- A. Solicitation Due Date – Qualified firms may indicate their interest in competing for this project by submitting a Statement of Qualifications (SOQ) and any relevant performance data to the Commission. If the Commission currently has an SOQ on file, a firm may submit a cover letter that makes reference to the SOQ in order to indicate interest in being considered for this SOI. The deadline to respond to this solicitation is **September 15, 2017, no later than 2:00 p.m., Pacific Daylight Savings Time.** All documents shall be submitted via email to the Contract Officer at the address below.

Annabell Abeleda, **Contract Officer**
California State Lands Commission
Annabell.Abeleda@slc.ca.gov

Firms submitting have the burden of proof to confirm that their SOQ was actually received in accordance with this announcement should there be any dispute about meeting the filing deadline. Firms are strongly encouraged to print a copy of the date and time-stamped email as evidence that materials were submitted in a timely fashion. All submittals will be acknowledged immediately by the Contract Officer via return email.

B. SMALL BUSINESS PARTICIPATION AND CERTIFICATION

This project has a participation goal of twenty five percent (25%) of the total contract price for qualifying small businesses. This 25% goal may be achieved by a combined effort of the Consultant and subcontractors. Any small business used to meet this requirement must be certified by or have certification pending with the Department of General Services (DGS), Office of Small Business Certification and Resources. If awarded the Contract, the Consultant will be required to submit evidence that it has either met these participation goals or made a good faith effort to meet the Small Business Participation goal. The State reserves the right to accept a participation level lower than 25% subject to firm evidence and acceptance of "good faith effort" documentation. The Consultant shall be deemed to have made "good faith efforts" upon submittal of documentary evidence that all of the following actions were taken:

Contact was made with the CSLC Contract Manager to identify potential Small Business firms.

Contact was made with other State agencies, including the DGS Office of Small Business Certification and Resources, to identify potential Small Business firms.

Invitations to Bid were submitted to potential Small Business firms

Available Small Business firms were considered.

C. DISABLED VETERAN'S BUSINESS ENTERPRISE (DVBE) PARTICIPATION AND CERTIFICATION

This Project has a mandatory participation goal of at least three percent (3%) of the total contract price for qualified DVBEs. This 3% goal may be achieved by a combined effort of the Consultant and subcontractors. Any business used to meet the DVBE requirement must be certified by or have certification pending with the

DGS Office of Small Business Certification and Resources. The consultant, prior to being awarded a contract, will clearly identify those subcontractors that are certified DVBEs, and identify the contract price amounts allocated to those subcontractors.

VI. Selection Criteria

Ranking of a firm shall be made by CSLC staff on the basis of demonstrated competence and experience of the firm, on the qualifications and experience of the staff proposed for the Project, and the availability of resources appropriate to complete the work on time. The ranking and evaluation will be based on the SOQ and any supplemental performance data provided in response to this solicitation. It is unnecessary to provide a detailed project proposal or cost estimate for firm evaluations. Firms will be evaluated based on their demonstrated qualifications to perform the work. These criteria include specialized experience of the firm and individuals as follows:

1. Professional experience of the firm in relation to the work to be performed.
2. Professional experience of the principals to be assigned to this project.
3. Professional experience of professional engineers and staff to be assigned to the project.
4. Demonstrated competence and specialized experience of firm.
5. Ability of firm and personnel to meet proposed schedule.
6. The firm's staffing capacity.
7. Nature and quality of work completed for similar projects.
8. Reliability of firm and continuity of the proposed firm's staff and sub-contractors with firm.

VII. Contract Administrative Process

Firms will be selected on the basis of their submitted SOQ and any submitted performance data. This is a competency-based selection process in accordance with Government Code section 4526 and CSLC regulations. All qualifications will be reviewed by a Selection Committee appointed by the Executive Officer. Upon receipt and review of all SOQs, staff may contact firms by telephone to review qualifications or clarify areas where the staff has questions. Thereafter, based on the selection criteria, the CSLC will select a minimum of three firms believed to represent the best-qualified firms. Staff will rank firms in order beginning with the best qualified (1), second best qualified (2) and so forth.

The CSLC will attempt to negotiate a fee for services with the highest ranked firm based on the qualifications. In the event that a satisfactory agreement cannot be negotiated with the top ranked firm, CSLC will terminate negotiations with that firm and begin negotiations with the next ranked firm and so on. After successful negotiations, a contract will be awarded and executed.

The CSLC reserves the right to terminate the selection proceedings at any time where it determines it is in the best interests of the State. The CSLC is not required to award the agreement and reserves the right to terminate in whole or in part at its sole discretion any contract award at any time upon giving written notice.

For more information, or to submit questions regarding the content of this request for Statements of Interest, please contact Annabell Abeleda at 916.574.1871 or by e-mail Annabell.Abeleda@slc.ca.gov.

LIST OF ATTACHMENTS

- InterAct Engineering Report
- Final EIR for the Becker and Legacy Wells Abandonment and Remediation Project: <http://www.slc.ca.gov/Info/CEQA/Becker.html>