

REQUEST FOR PROPOSAL FOR AUDIT SERVICES

The Navajo Nation Oil and Gas Company (NNOGC) will receive sealed bid proposals from all entities (hereinafter "Offerors") qualified and capable of providing consolidated financial audit services described herein and under the terms and conditions set forth herein. NNOGC, a Federally-chartered corporation wholly owned by the Navajo Nation, is an integrated and diversified oil and gas company, operating as Navajo Petroleum LLC and Running Horse Pipeline LLC and NNOGC Exploration and Production LLC. The principal corporate office of NNOGC is located in Saint Michaels, Arizona on the Navajo Nation with an Exploration and Development office located in Denver, Colorado.

NNOGC has three (3) separate business unit operations comprised of downstream, midstream and upstream which are consolidated for financial statement purposes. The downstream operations consist of the retail and wholesale activities. The midstream operations consist of crude oil marketing and pipeline activities. The upstream operations consist of oil and gas exploration and production activities. NNOGC's largest components of revenue are provided from oil and gas production and retail sales operations. Other operating revenues are derived from crude oil marketing, wholesale gasoline sales, pipeline transportation tariffs, and well management services.

The scope of work will be the performance of an annual financial audit consisting of a review of all applicable NNOGC financial records to prepare the annual financial statements for three (3) successive fiscal year periods beginning April 1, 2011, subject to satisfactory performance. NNOGC's fiscal year begins on April 1 of each year and ends on March 31 the following year. The audit will be conducted in accordance with United States Generally Accepted Accounting Standards and in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 including applicable Statements issued by the Financial Accounting Standards Board.

The Offerors shall include in their bid proposal an estimate of total audit costs based upon an hourly fee cost, including specific itemized incidental costs for the scope of work as set forth herein. The Offerors shall include transportation costs and applicable Navajo Nation taxes.
Qualification Requirements:

NNOGC is seeking a professional accounting firm with a minimum of ten (10) years of financial auditing experience of mid-to-large sized oil and gas companies. The audit experience of the firm must include the performance of financial audits of: 1) exploration and development activities (upstream); 2) pipeline activities (midstream); and 3) retail and wholesale activities (downstream). The audited client base must include a minimum of ten (10) mid-sized oil and gas companies. The firm must have a minimum of three (3) partners providing full-time audit services to oil and gas companies. Senior audit staff provided to perform audit must have a minimum of five (5) years of oil and gas audit experience.

The estimate of total audit cost and the statement of qualifications will be enclosed in two separate sealed envelopes.

Information packets containing NNOGC information can be requested by U.S. Postal Service to NNOGC, P.O. Box 4439, Window Rock, AZ 86515, or requesting by phone at (928) 871-4880 ext. 502. The information packets will also be available at NNOGC corporate offices located at 50 Narbono Circle West, Saint Michaels, AZ 86511 during normal NNOGC operating business hours from 8:00 A.M. to 5:00 P.M. (MST), Monday through Friday, excluding holidays.

The Closing date for the acceptance of proposals is 5:00 P.M. (MST) on January 20, 2012. Envelopes containing the sealed proposals must clearly reference “NNOGC Request for Proposals for Audit Services” and must be addressed to the Attention of the Office of the Controller, NNOGC, P.O. Box 4439, Window Rock, AZ 86515. All responses to the RFP must be received or physically delivered to the corporate office, 50 Narbono Circle West, Saint Michaels, AZ 86511 prior to the 5:00 P.M. (MST) deadline of January 20, 2012.

The Notice of Award of the audit services contract will be sent to the selected Offeror no later than February 13, 2012. The Audit Services contract will be awarded for three years, subject to an annual performance review. NNOGC reserves the right to waive any formalities of minor inconsistencies. The proposal selection process will be conducted in conformity with applicable provisions of the Navajo Nation Business Opportunity Act.