

**BAHAR ENERGY OPERATING COMPANY LIMITED**

**Monthly Report**

**March 2022**

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## **EXECUTIVE SUMMARY:** *Reported by the President*

A summary of activities during March 2022 is below:

### **a) Health Safety and Environment:**

- No incidents or spills were recorded in March. BEOC issued 59 Permits to Work in January.
- HSE department has been continuously taking preventive actions in the BEOC buildings and main roads against potential Corona Virus infection. Information about COVID-19 vaccination of our BEOCL employees was registered with the authorities and daily monitoring was carried out by the HSE department. In total, 523 employees received 1<sup>st</sup> dose, 523 employees received 2<sup>nd</sup> dose, 401 employees received 3<sup>rd</sup> dose, and 6 employees received the 4<sup>th</sup> dose vaccine by the end of March.

### **b) Production:**

- Oil production was 560 Bopd, down by 53 Bopd from February 2022, due to ongoing well maintenance.
- Gas production was 17.2 MMcfd, which was down 0.5 MMcfd from February production due to a slight decline in BH169 well.
- BEOC also utilized 1.7 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressure, which required additional compression fuel.
- Total production of 3,500 BOE/d in February was down 3 percent from the prior month but remains 37 percent below the Budget forecast for the month. This shortfall is mainly due to the longer period of the Bahar workovers to reach the deeper target zones. Deep Bahar gas completions were budgeted to come online in Q4 2021 and are now expected to be on production in Q2 2022.

### **c) Workovers:**

- In Gum Deniz, workovers in the GD474, GD203, GD465, and GD058 continue, GD716 returned to production
- In Bahar, well BH 165 and BH74 continued fishing and recompletion activities.

### **d) Construction:**

- Offshore construction operations continued the GZU 2, PLT 48, PLT 65, and PLT 9/129, in the Bahar field.

### **e) Subsurface**

- The work continues building geo and simulation models for main producing reservoirs in both Gum Deniz and Bahar fields. Work on the year-end 2021 reserves Report is ongoing.

### **f) General Management**

- The Bahar CMC meeting was held on March 11, 2022, to review progress on implementing 2022 WP&B. Yashar Latif, SOCAR Upstream, also attended the meeting and emphasized the importance of BEOC meeting or exceeding its performance Goals in 2022 and beyond for the Contractor Parties. BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure a safe workplace for all our employees and contractors.

**I- HEALTH, SAFETY & ENVIRONMENT: Reported by Aslan Bakhishov, Manager of HSE Department**

**a) Summary: HSE:**

- No any incident was recorded in March.
- TRIR is 0.00 by the end of March.

**b) Monthly Safety statistics (Lagging indicators) for March 2022**

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	89632	0	0	55
February	0	79032	0	0	44
March	0	91343	0	0	59
<b>Total</b>	<b>0</b>	<b>260007</b>	<b>0</b>	<b>0</b>	<b>158</b>

**Legend:**

- LTI: Lost Time Incident
- Man Hours: Total number of man hours worked
- TRIR: Total Recordable Incident Rate(Number of Injuries and Occupational Illness X 200,000 / Employee hours worked)
- Near Miss: Near Miss Incidents number
- PTW: Permit to work

**c) High Level HSE Comments:** No any incident was recorded during this month.

**HSE Activity**

**- HEALTH:**

- Daily monitoring of COVID-19 vaccination status of BEOCL employees was carried out by HSE department. 523 employees (100%) got 1<sup>st</sup> dose, 523 employees (100%) got 2<sup>nd</sup> dose, 401 employees (77%) got 3<sup>th</sup> dose, 6 employee got 4<sup>th</sup> dose vaccine by the end of March.
- HSE department has been taking preventive disinfecting actions at the BEOC work places against potential Corona Virus infection.
- HSE department performed weekly disinfecting the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer regularly control and fulfil by HSE representatives at the BEOCL premises.
- 50 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

**- SAFETY:**

- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 15 newcomers/ visitors.
- In accordance with Local regulation the Health and Safety knowledge evaluation of 2 BEOCL technical and engineering employees was carried out.

- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspection was provided and reported. Firefighting water pump was tested at the Oil Process and Transportation field.

**- ENVIRONMENT**

- Environmental Statistics for Month/Annual

Month	Spills Number	Spill Volume	Comments
January	0	0	0
February	0	0	0
March	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (42 m3) was disposed through Hovsan Sewage treatment plant.
- AR Ministry of Ecology and Natural Resources Caspian Complex Environmental Monitoring Administration (CEEMA) conducted ecological monitoring in the contract areas of the representation with the Scientific Research Ship in order to study the ecological situation and the status of biological resources in the Caspian Sea

**d) Training and other activities:**

- As a part of HSE assurance plan 2022 Safety Stand down Meetings were conducted at the BEOCL worksites in the following themes in March:

“Safe Lifting Operation” for 7 employees.

Total participants were 7 workers.

**II - PRODUCTION OPERATIONS: Reported by Alamdar Useynov.**

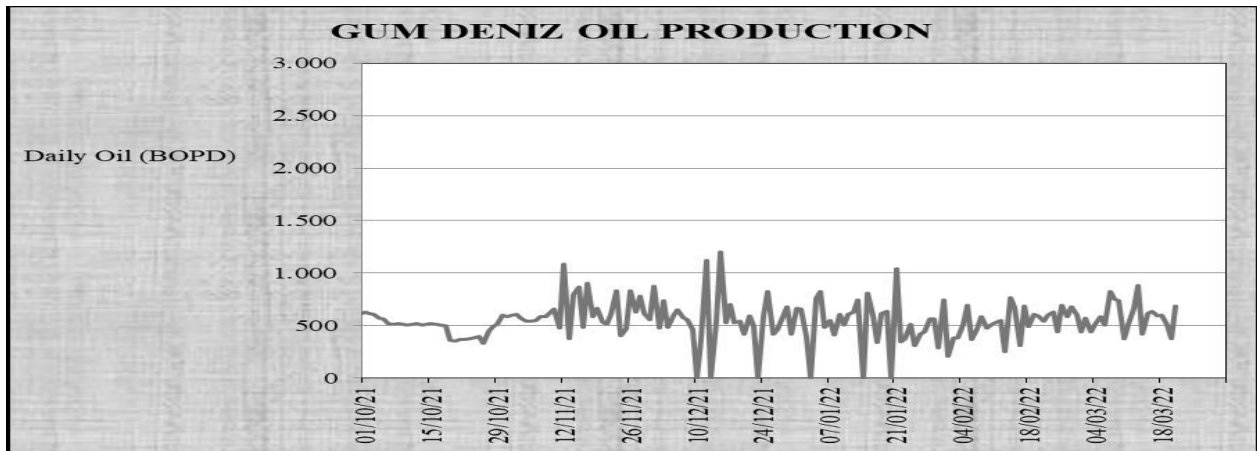
**a) Production year to date is shown in the table below:**

OIL and GAS Production 2022 Budget and Actual																	
Mar-22	Oil Shipped to sales Point Actual ton/day	One ton equal to barrel	Oil Shipped to sales Point Actual BOE	Oil Production Actual ton/day	Actual BOE for Oil	Oil Production Budget ton/day	Budget BOE for Oil (equal to barrel 7,4)	Gas Production Actual m3/day	Gas Production Actual scf/day	Gas Delivery m3/day	Gas Delivery scf/day	Gas Delivery BOE	Gas Production Budget m3/day	Gas Production Budget scf/day	Budget BOE for Gas	Total Actual BOE	Total Budget BOE
January	71	7.47	528	70	521	93	685	460,294	16,255,283	437,234	15,440,919	2,778	713,541	25,198,700	4,533	3,306	5,218
February	72	7.48	535	73	546	105	777	504,296	17,809,213	478,309	16,891,482	3,039	790,583	27,919,439	5,022	3,574	5,799
March	78	7.51	582	82	613	100	740	500,733	17,683,386	478,175	16,886,750	3,038	771,878	27,258,872	4,904	3,620	5,644
Q1 Average	73	7.49	549	75	560	99	734	488,441	17,249,294	464,573	16,406,384	2,951	758,667	26,792,337	4,820	3,500	5,554
April																	
May																	
June																	
Q2 Average																	
JULY																	
AUGUST																	
SEPTEMBER																	
Q3 Average																	
OCTOBER																	
NOVEMBER																	
DECEMBER																	
Q4 Average																	

**b) Production – Gum Deniz**

- Production rate of the Gum Deniz field averaged 82 tons/day. Delivery 78 tons/day.
- During the reporting period, we did not deliver associated gas, the volume of gas required for oil refining and domestic demand of compressors was 1,271,000 m3 (41,000 x 31).

**Production Gum-Deniz (BOE/DAY)**

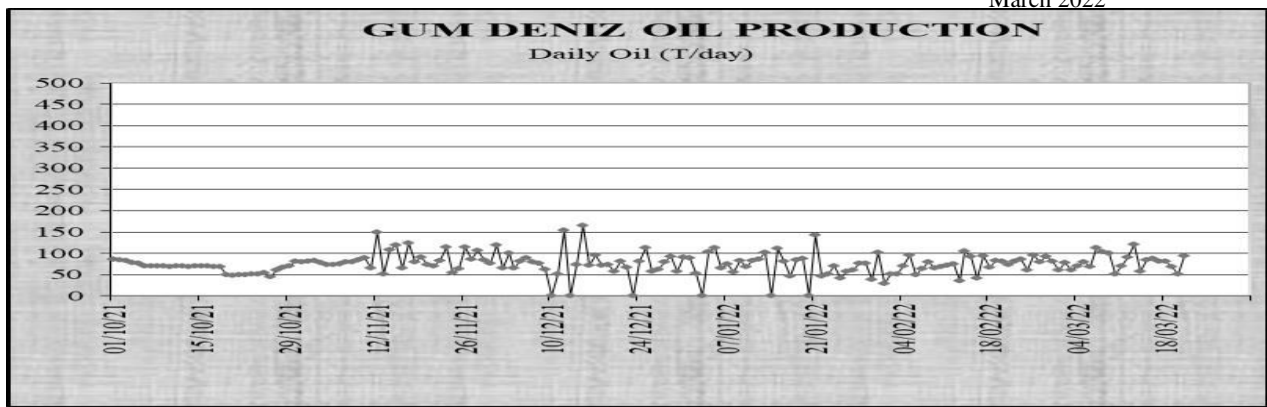


The chart below shows the reasons for oil production increase

Oil Production Rate Differences Between February and March 2022																																		
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
February 2022	2	2	0	0	1	21	0	0	5	0	3	0	0	0	0	3	6	0	0	0	4	2	2	4	6	3	5	10	1	0	8	0	0	88
March 2022	2	2	0	0	1	21	0	0	6	0	5	10	0	0	0	3	4	0	0	0	2	2	2	4	6	4	5	12	1	0	8	3	0	103
Difference																										15								

- GD-716 WO operations was completed and the well was POP with gas-lift method.
- GD-203 WO operations is in progress.
- GD-474 WO operations is in progress.
- GD-465 WO operations was started.
- GD-058 WO operations was completed and the well was POP with gas-lift method. The well was given to WO because of the water production.

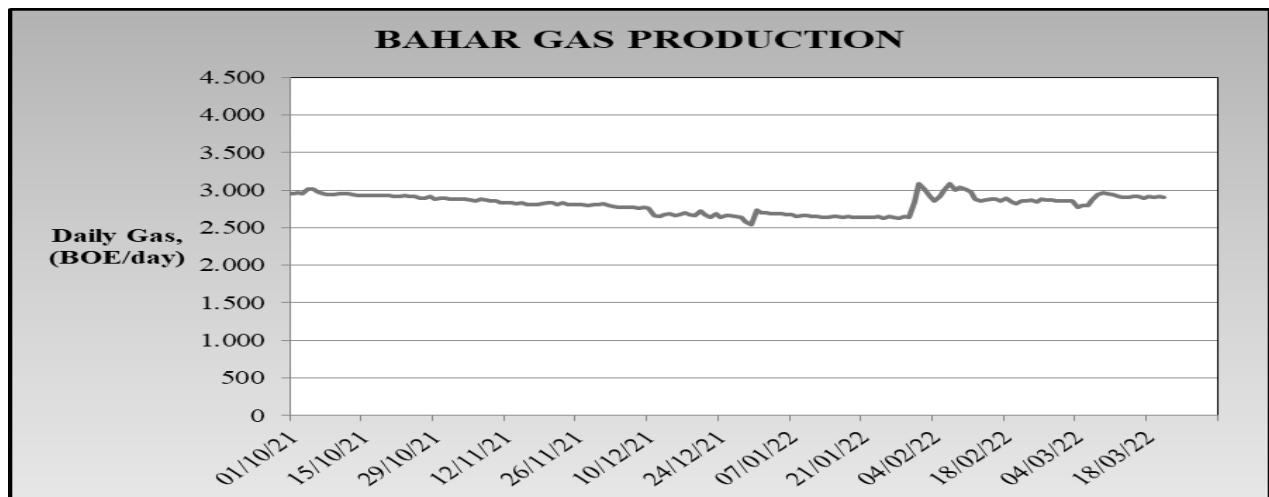
Production Gum-Deniz Tons/Day



**c) Production – Bahar**

- Bahar daily gas delivery realized as an average of 478 175 m3/day
- Gas delivery was 16.887 MMcfd.

Production (Bahar BOE/day)



- The chart below shows the reasons for gas delivery decrease.

Gas Production Rate Differences Between February and March 2022														
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	206	241	Total, x1000 m3
February 2022	22	39	0	0	79	104	1	68	62	1	21	64	40	501.0
March 2022	22	39	0	0	74	104	1	68	62	1	21	61	40	493.0
<b>Difference</b>														<b>-8.0</b>

- WO operations are underway in well No165 at PLT168 in “Bahar” field.
- WO operations are underway in well No74 at PLT 70/106 in “Bahar” field.

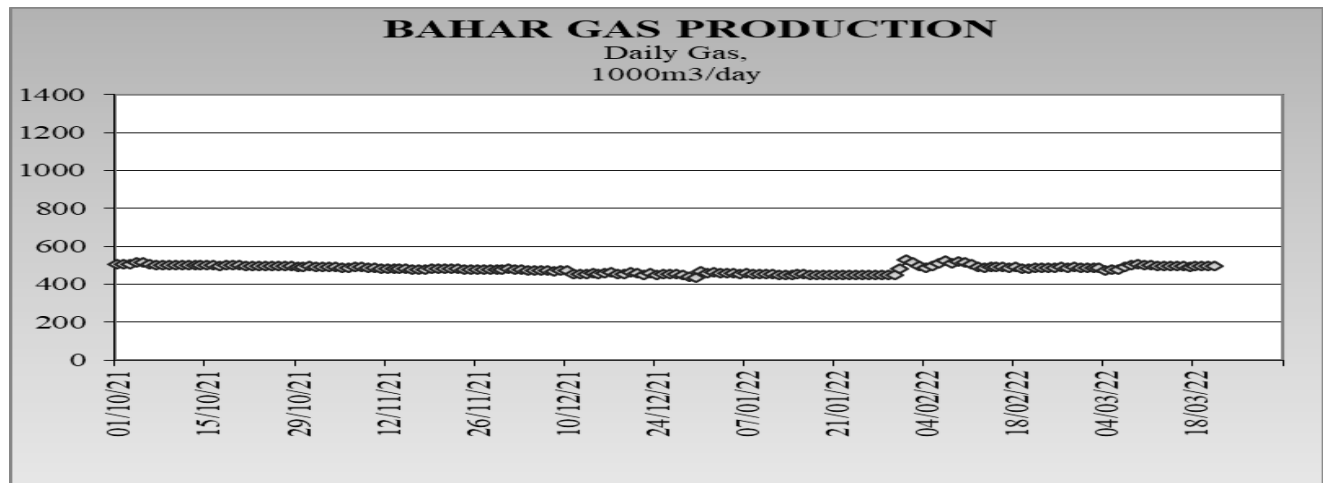
- Repair works are carrying out periodically by construction crews at offshore oil&gas collecting unit No1, PLT48, PLT65 and at PLT9 / 129 in "Bahar" field.

During the reporting period, the Shirvan2 crane vessel operated on an order basis. Shirvan 2 crane ship's operations:

Delivered (A-80) PU from "Ulluchay" crane-vessel to well No144 at PLT48.

Crane-vessel took the 28m derrick from PLT20 on board, and placed it on the working site on the south-eastern side of well No191 due to weather conditions at PLT65.

### Production Bahar (1000m3/day)



#### 1. Additional Production Works:

- The "Closed System" project, designed to prevent environmental pollution of produced water discharged from process tanks at oil processing&delivery field, is being continued by the Construction Department.
- Repair work is underway by the contractor company at the Demulsion Furnace No2 at oil processing&delivery field.
- In oil processing&delivery field, the contractor company cleaned the tank No6 in the tank farm of 2000.
- In oil processing&delivery field, the cleaning of the bottom sediments of 5,000 tanks collecting produced water from the area of 5,000 has been completed, and preparations are being made for repair work.
- Repair work of the lines belonging to the cooling system of CS1 and 20" cooling system between stations CS1 - CS2 is being continued by the construction department.
- In CS1, the average repair work on the 4th gas compressor machine has been completed, it is being prepared for the test drive, and the middle repair work has started on the 6th gas compressor machine .
- Relocation of the gas / liquid metering junction is underway at PLT470 belonging to the Gum-Deniz field.
- In connection with the removing of the GDU in the "Gum-Deniz" field PLT450, 3pct 2.5" gas lift lines were laid from PLT9 to PLT450, the coordination work will continue by the construction department.
- Relocation of the GDU from the emergency area at the "Gum-Deniz" field PLT209 continues.

- There was a leak detected on 12" underwater production line of "Bahar" field between offshore oil&gas collecting unit No2 and coastal oil&gas seperating unit No2 and the leak was eliminated with the help of diving brigades of SOCAR collecting ferrous metals at sea.
- The construction of a 35-atm gas pipeline and metering junction for the delivery of BEOCL's natural gas to the Gas Export Department through SOCAR's 28 May OGPD is underway.
- The construction of Separator Park at gas processing&delivery field No2, designed to separate BEOCL's natural gas and deliver it to the Gas Export Department, is underway.

March 2022	
Name of the operation	Completed Operations
Hot Light Oil and Diesel Operation in wells	53(11 wells)
Fluid level survey	72(14 wells)
Sulfanol treatment in wells	
Salinity measurement in wells	90(27 wells)
Soap stick application in gas wells	-

**IV – CONSTRUCTION:** Reported by Panah Mammadov

**Construction progress report for March 2022**

#	Field/Location	Work Description	Status
	<b>Gum-Deniz</b>		
1	Gum-Deniz, Causeways	In order to re-commission well No. 005, located on location 470 in the island area, which has been out of operation for a long time, temporary put on hold re-installation and connection of "GSU", "Fluid Measurement" junction and "Household gas" separator located in the area preparation of details in the workshop for laying lines.	In progress
2	CS, OGSU-2	Preparation and welding of details of BEOCL's natural gas, re-installed metering junction and input and output lines of 2 new separators for laying of 35 mm gas pipeline from Oil and Gas Extraction Company named after 28 May to Gas Export Department.	In progress
3	Gum-Deniz, Causeways PLT9	Installation of a platform due to spot change of the unit PQ13 located in between the crossroad and PLT9. Carried out the installation of 2 pannels 10x10. Completed welding of leaned 10" pipes for reinforecement of the pannels. Carrying out works to connect with existing causeway road.Preparatory work for the construction of the building.	In progress



4	CS, OGSU-2	Based on the project, BEOCL Representation in the Republic of Azerbaijan completed the installation of 64 piles from 12" pipes in order to improve the quality of sales gas from the "BAHAR" field in Oil and Gas Sep. Field No. 2 in order to reconstruct the separator system. Installation of the armature carcass for laying the 2nd concrete layer. Installation of 232 m <sup>3</sup> concrete admixture has been completed. Making the bottom of the separators in the workshop from 500 mm double-beams.	In progress
5	Gum-Deniz, Causeways, in between PLT235-64	"Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the platform and pipes.	In progress
<b>Bahar field</b>			
6	Bahar, offshore oil&gas collecting Unit No2	The project continues to install 12" fluid and gas lines and supports along the existing bridge direction. Expansion of the existing comb separator area in the south-western part of the working area. Reinforcement of lines from wells in the southern part of the existing work site and installation of a 6x13m size service area. The installation of comb separators and pipe-fitting joints, manufactured and delivered from the workshop, has been completed on the newly installed panels. Connecting new lines with existing lines and laying a new technical water line.	Work has been temporarily suspended
7	Bahar, PLT-65	In order to prepare for the WO of wells 187, 189, 190 and 191 located in the "Bahar" field, PLT 65, and the repair work to be carried out. In the western part of the platform, 8x10x40m metal plates were installed in the area intended as living block. In the eastern part of the working area, 1 Boat Landing was installed and fastened and connected to the floor. Currently, the installation of the underrotor of well 189 and the area around the well is underway.	In progress
8	Bahar, PLT-9/129	Installation of 2 metal plates in PLT9/129, initial supply of materials and installation of a footing area for hanging Boat Landing in the southern part. Temporary transfer of workers to the offshore platform by crane-vessel.	In progress
9	Bahar, PLT48	Preparation of well No145 for WO in PLT48. Installation of a sliding section on the north and south sides of the metal plate to slide the derrick over wells 144 and 145 has been completed. Assembling of the underrotor supports of well No146 and the area around the well had been completed. Work is underway to assemble the rotoral supports of well No. 146 and the area around the well	In progress
10	QD, PLT412	Immersing of newly installed 6" production line between PLT409-412 in the water has been completed. Fastening and connection of 6" vertical supports in PLT4 by 2 clamps have been completed.	Completed
11	QD, PLT409	The 6" underwater production line developed by SOCAR Oil / Gas Construction Trust was transported to its destination and successfully immersed in water between Plt 409 and Plt 412. In PLT 409, 6" vertical supports were fastened and connected by 2 clamps. Connection with the existing 8" line was completed.	Completed

**Additional works**

1	In the hangar No. 1 of the central warehouse area, the installation of shelves for the collection of goods and materials was completed. Next, the assembly of shelves continues in the 3rd hangar.	In progress
2	The construction of a hangar for storing chemicals near the hangars belonging to the central warehouse on the island has been completed, as well as the installation of 2.5-pipe trusses and inter-farm wooden shafts. Preliminary preparations for the installation of corrugated sheet metal.	In progress
3	Welding and setting up works in the Fab. shop have been started on the cable spooler used during WO operations (POOH & RIH) at ESP wells of Gum-Deniz field."	In progress
4	Installation of new oil traps for oil separation and construction of pump station at Oil Prep. & Transportation area.	In progress
5	Installation and connection works completed in between old gas lift pipeline along the dam road and the entrance and existing water line close area to the "Halikarnas" restaurant as well as installation of vertical pipeline supports. Work is on-going on cutting of old unused lines and installation of additional pipe supports on the existing water line on-going	In progress
6	Carrying out welding works for the purpose of repairing emergency parts of 500 mm water line of water cooling system at compressor stations 1 and 2 of oil&gas collecting & delivey field.	In progress
7	Installation of new piles and connection with existing constructions in the sections of between crossroads-PLT9, between PLT208-PLT209, PLT66-PLT450 at causeway.	In progress
8	Inv No2 located in the area of 2000m3 oil tanks of Oil comp prep&delivery field. Repair work of demulsification furnace number 2291. 100% of work was done. Checking for airtightness, commissioning.	In progress
9	Installation and welding of lines from 4" and 2.5" pipes exiting the separator, electric furnace Gas Distribution Unit in order to relocate the existing GDU located in causeway PLT209. Construction the new Gas Distribution Unit's building is underway.	In progress
10	Connection of demulsification furnaces No1 and No2 located in the area of 2000m3 oil tanks of oil processing&delivery field and re-installation of 6" inlet-outlet lines for oil refining.	In progress
11	Carrying out preparatory work for WO and POP of well No58 in "Gum-Deniz" field. Installation of fluid and gas lines.	Completed
12	"Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the platform and pipes.	In progress
13	Installation of gas and water lines of compressor cylinders of Gas Campressor Machine No4, which is under repair at compressor station No. 1 of gas processing & delivery field.	Completed
14	De-assembly of "UPT-1-50" type PU device installed at causeway PLT2 and moving it on the wells No716, 297, 372 with the help "Hydraulic-Tower Sliding Jack" set.	In progress

#### **IV – WORKOVERS: Reported by: Nurlan Gashamli**

##### **Bahar WO's**

- BHR 165 – Pulled Mill BHA and observed mill blades are not worn but 98/97 ,89,73,53,34mm circles marks made on the bottom. Decided to RIH w/100x79mm catch range Die Collar, but with no result. MU and RIH w/101mm Bladed Mill (Baker Redressed) BHA, tagged TOF at 3999.12m but despite all attempts couldn't make progress. A decision been made to log the well and complete it at available zones. Logged the well with Neutron-Gamma Ray Log up to 3400m. TD confirmed at 3992m. The log is interpreted with potential flow units at Hor. VII and VI. Plan is to complete the well at Hor. VI flow unit.
- 5-1/2" casing is scraped. BP set @3883m. RIH w/TCP BHA ongoing to Perforate @3796 - 3801m (5m total) intervals. Planned production packer set depth @3788m. On-Off Tool landing depth @3760m. Operation underway.
- GD 074 – By execution of fishing operation 1641m of left in hole tubing out of a total 1855m was eliminated from the wellbore. Attempts to mill the fish were unsuccessful due to the small 4-1/2" casing with heavy wall size. At current depth Hor. VIII upper, Hor. VII and VI zones were achieved for potential production. perforation. A decision has been made to complete the well pending Log results. Operations underway.
- B144 – Moved and installed UPA-80 Rig onto the well via Shirvan Crane Vessel. Crew movement is underway. Will execute up hole WO plan re-completion.

##### **Gum Deniz WO's.**

- GD 058 – Successfully completed execution of WO operation to target depth at 3507m by opening Hor. KaS and PK. Logged and perforated at 3497.5 - 3493.5m with 51mm OO TCP. Put well on production.

To monitor the well, Performed PLT Log in the well to determine zones contribution. As per result, a remedial cementing work decision has been made to prevent HWC from Hor. PK

Plan is Plug off the 3401 – 3407m, 3412 – 3417m intervals by sand pouring. Check feed rate of 3285 – 3290m, 3294 – 3310m intervals of Hor. PK. Pending feed rate result execute cement squeeze operation to prevent water contribution. Execution ongoing...

- GD 716 – The well was cleaned down to 2712m, but due to continuous sand and gas in return string was raised and pumping was stopped for a while to monitor the well. When lowered the string observed tags at 2664m. Cleaned again down to 2712m, continues sand in return. The indication is that casing has been damaged by a bad cement bond which contributes to sand from behind the casing. Decided to complete the well up hole at Hor. IX.

Casing scraped to 2578m. Bridge Plug set at 2578m. Cement Plug set on top of BP at 2576.7m. RIH w/ Gas Lift Production String and perforated through at 2561-2557, 2551-2545, 2517-2513 m (total 14 m) with 51mm OD TCP. Put well on production.

- GD 203 – Rig skidded onto well from G716. Resumed WO operation. RIH w/ 140mm JM - metal muncher mill BHA. Plan is to mill off the production packer at 2118m and clean the well bore down to TD. Ongoing...
- GD 465 – To produce the well from hor. PK decision been made to cement upper zones, mill off BP at 3360m. Clean the well down to TD at 3475m. Execution of the plan is underway.
- GD 474 – Plan is to Drill / Mill off three BP's, eliminate complicated fish in the hole. Provide well bore clearance down to 2670m.

Before milling, BP checked the positive feed rate of the upper zone at the 1985 -1987m interval, cemented, milled and pressure tested positive cement squeeze. Milled BP off down to next BP at 2053m. Checked feed rat of the next set of perforation intervals at 2032 – 2040m. Will continue with cementing operation, ongoing...

### **South Gum Deniz WO's.**

- GD 413 – MU and RIH w/ESP Assy. 984m. Negative checked cable insulation. Decision been made to POOH ESP to cable head adaptor and check. Pulled to cable head adaptor, checked and confirmed that cable core is damaged. Deferred the work till new cable drum available.

### **Out of Field report.**

- Continue coordination of Side Track Project with SOCAR Drilling Trust. Made recommendation for develop stimulation drilling program for G601 ST. Appointed meeting for move forward on financial agreement and contract placement. Arranged site visit to location regarding Drilling Rig and equipment spotting as per sketch requirements. Made necessary order for prep works.
- Continue coordinating orders regarding equipment's:
  - New ADPM truck (steam truck) – 1 set.
  - Power Swivel Unit – 3 sets.
  - Skid base Triplex Slurry Pump – 2 sets.
- Coordinating with ADO-G regarding redness 28m Derrick for B190 well at PL065.
- Coordinating with IDS Company regarding redness 120tonner Drawwork for B190 well at PL065. Tested and received a new set of Draw work.
- Implementing and executing repair and maintenances programs for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with the Procurement team.

### **a) *Monthly / Annual Workover Statistics***

<b>Month</b>	<b>Workover &amp; Well Service Jobs completed</b>	<b>Number WO &amp; WS Success</b>
January	8	2
February	9	3
March	8	2
<b>Total</b>	<b>25</b>	<b>7</b>

**b) Summary of Workover Activity**

<b>Workover Operations</b>					
<b>Well</b>	<b>Operation</b>	<b>AFE #</b>	<b>Actual Cost</b>	<b>AFE Amount</b>	<b>Difference</b>
BHR 165	Fishing / Recompletion	40-2-165-01-21	320M \$	308M \$	-12M \$
GD 074	Fishing / Recompletion	40-2-074-01-21	166M \$	365M \$	199M \$
GD 716	Recompletion	40-1-716-01-22	154M \$	44M \$	-109M \$
GD 058	Fishing / Recompletion	40-1-058-01-21	235M \$	295M \$	60M \$

**c) Summary of Well Service Activity**

<b>Well Services</b>		
<b>Well</b>	<b>Operation</b>	<b>Actual Cost</b>
GD 465	ESP Replace	48M \$
GD 413	Lower Re-completion	27M \$
GD 474	Fishing / Lower Re-completion	39M \$
GD 203	Fishing / Lower Re-completion	74M \$
GD 058	Remedial cementing operation	15M \$

**d) Well operations heavy equipment report**

<b>Well operations heavy equipment field 2022 March</b>					
<b>Work Description</b>	<b>Number</b>	<b>Work hours</b>	<b>Engine Hours</b>	<b>Repair Hours</b>	<b>Mileage km</b>
TRF	25				
Pulling units and Taw tractors used at Workover Workshop	14	544.5	544.5	26	
Stationary type pump unit (V-12)	1	25.5	25.5	26.5	
Stationary type pump unit (V-16)	1	57.5	57.5	20	
QBQ-120	2	397	397	61	
QBQ-160	1	397.5	397.5		
Mobile (two-part) ADPM unit	1	24	24	3	
Cementing Pump Trucks serving BEOC Departments	12	2808	323.5"	178	74
Steam Unit Transportation field	1	240	46.5	5	69
Fire trucks of Transportation field	4			1	
Transportation field - Added repairs	5			33	
Number of trucks put into operation after long-term repairs					

**V- SUBSURFACE:** Reported by Alamdar Useynov

**B-165** RIH special scaper to 3905m and POOH. Set BP at 3900m and perform cement squeeze. Run 86mm TCP guns with mapset packer at the end production string within perforation zone 3801-3796m. Coordinate packer setting and TSP guns depth. Flow lines to be assembled and inspected by the pressure specified in the technical specifications. Perforate 3801-3796m horizon VII and POP.

**GD-058** Reduce 400m from production tubing (1<sup>st</sup> plan). Reduce 200m from production tubing (2<sup>nd</sup> plan). Reduce 150m from production tubing (3<sup>rd</sup> plan). POOH tubing string. RIH special mill set artificial sand plug at 3390m. RIH special mill, check feedrate of 3285-3310m interval. If

positive perform remedial cement squeeze into the interval. Clean to 3390m. Check feedrate of 3401-3485m intervals. If positive perform remedial cement squeeze into the interval. Clean to 3507m. Run 2000 m 2 7/8" tubing with gaslift valves in the well (4<sup>th</sup> plan).

**GD-716** Add 300m to the tubing string.

**GD-479** Add 100m to the tubing string.

**GD-474** POOH tubing string. RIH special mill, check feedrate of 1987-1985m interval. If positive perform remedial cement squeeze into the interval. RIH special mill, drill the BP (2025m) and clean to 2040m. Check feedrate of 2040-2032m interval. If positive perform remedial cement squeeze into the intervals. RIH special mill, drill the cement plug at 2040m and BP(2042m) and check feedrate of 2080-2085m interval. If positive perform remedial cement squeeze into the intervals. RIH special mill, drill the cement plug at 2187m, and BP (2190m) and check feedrate at 2209-2236m interval. If positive perform remedial cement squeeze into the intervals. RIH special mill, check feedrate of 2535-2570m interval. If positive perform remedial cement squeeze into the intervals. RIH special mill, drill the cement plug at 2670m. Check feedrate of 2710-2723m interval. If positive perform remedial cement squeeze into the intervals and clean to 2727m. RIH and perform , QR/CCL/ QUAD neutron (2727-2200m) logging. Further operations will be planned according to GR/QUAD results.

#### Wells logged/re-logged

**GD-058 PLT**  
**GD-716 GR/CCL**  
**B-165 GR-NGL-NNI**

#### Wells completed

**B-074 Fishing/Recompletion.** Ongoing. Expected free gas rate is 50 Mm<sup>3</sup>/d from B\_VIII f/u. Actual cost 166 M \$.

**B-165 Fishing/Recompletion.** Ongoing. Expected free gas rate is 70 Mm<sup>3</sup>/d B\_VII f/u. Actual cost 320 M \$.

**GD-058 Fishing/Recompletion/Remedial cementing operation.** Perforated 3497.5-3493.5 m with 51 mm TCP. Expected oil rate is 4 ton/d PK horizon. Produced water. Actual cost 235 M \$. Remedial cementin job-Actual cost 15 M \$.

**GD-716 Fishing/Recompletion.** Perforated 2561-2557m, 2551-2545m, 2516.5-2513.5m intervals at horizon IX. Well produces 3 ton/d oil, 0.5 ton/d water and 4 Mm<sup>3</sup>/d solution gas . Actual cost 154 M \$.

**GD-413 Recompletion.** Waiting for ESP cable. Actual cost 27 M \$.

**GD-474 Cementing/Fishing.** Expected oil rate is 5 ton/d IX/X horizon. Actual cost 39 M \$.

**GD-203 Fishing.** Expected oil rate is 4 ton/d VIII horizon. Actual cost 74 M \$.

**GD-465 ESP Replace.** Expected oil is 2 ton/d oil from horizon PK. Actual cost 48 M \$.

Note\* Actual cost is taken from WO monthly reports and reported amount is for only current month.

**Cased-hole logging:**

**GD-058 PLT  
GD-716 GR/CCL  
B-165 GR-NGL-NNI**

**Interpreted logs from GGI:**

1. **GD-058 PLT**
2. **B-165 GR-NGL-NNI**

**Geology**

1. **GD-601** sidetrack – site cleaning and preparation for sidetrack is ongoing. Work program finalized and sent to CDWT for signature.

**Reservoir Engineering**

1. GumDeniz PK and KaS horizon simulation model history match in progress.
2. WO Success file updated.
3. Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
4. Updated Bahar and GD OFGM database.
5. Updated Daily and monthly Production follow up database.

<b><u>March 2022 Planned and Fact Production Comparison</u></b>			
	<b>Plan</b>	<b>Fact</b>	<b>Difference</b>
<b>Oil and Condensate, tons</b>	<b>3100.105</b>	<b>2530.759</b>	<b>-18%</b>
<b>Free Gas, Mm3</b>	<b>23928.222</b>	<b>15522.720</b>	<b>-35%</b>
<b>Solution Gas, Mm3</b>	<b>2349.025</b>	<b>1295.390</b>	<b>-45%</b>

**Seismic:**

1. **GD-601** side track program: seismic review to identify drilling location.

***VI- FINANCE:** Reported by Rasul Gafarov*

**On a Monthly Base:**

Completed Feb-22 accounting cycle in accordance with the monthly schedule.  
According to JOA issued Feb-22 Monthly reports to Contractor Parties.  
According to JOA Mar – Apr-22 Cash Calls distributed to Contractor Parties.

Issued Feb-22 Additional Monthly reports to Contractor Parties.



Issued and distributed Feb-22 Monthly departmental cost reports to Budget Holders / Department Managers.

Issued and submitted following Feb-22 monthly as well as quarterly reports to government bodies: VAT, consolidated tax report on employment and statistical reports;

Prepared and submitted monthly Feb-22 Financial Highlights report to the Management.

**On an Annual Base:**

Continue preparation for 2021 annual Audit of below shown reports and actions:

- BEOC Cost Recovery Report;
- BEL Profit Tax Return;
- GPI IFRS report

***VII- LEGAL PROCESS AND HUMAN RESOURCES: Reported by Ahmadiyya Musayev***

**Legal, Compliance, Document Control & Translation issues**

- Contractual drafting and review work continued working on various contractual documents, including finalizing MoU and Term Sheet with SDT;
- Police was contacted officially regarding theft of cables and necessary applications, explanations and statements were filed to launch an official investigation; Follow-up meetings were held with other security organisations;
- Information inquiry from the Labor Inspectorate was addressed with respect to employee complaint;
- Cooperation was maintained with SOCAR Upstream;
- Material aid policy drafting started;
- Legal support was provided within the employment contract termination process;
- Residency permit obtained from the State Migration Service of Azerbaijan for the Rep Office President;
- Liaison activities with Surakhany Mayor's office, YAP, and other government authorities, including security forces continued;
- Participation was ensured in Azerbaijan Ethics and Compliance Network sessions and activities;
- Event was held with respect to the 30<sup>th</sup> anniversary of Khojaly genocide;
- Necessary internal orders were drafted/reviewed and commented;
- Rep Office's different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation; JAFZA renewals, extension PoAs, obtaining necessary Certificates of Incumbency and other activities were carried on, including with Caymans and BVI authorities;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

**a) HR issues**

- Interviews were held with candidates for Senior Geologist position;

- Employees who succeeded probationary period were confirmed on their positions through necessary documentation;
- Use of the outstanding vacations was monitored.
- Employment Agreements of 1 employees were terminated.
- To be expired contracts were followed up and management was updated.
- Overall 182 HR related operations have been made through this month.
- Organizational structures have been updated as per last changes.
- 46 vacations and 11 bulletins have been written and entered to the HRB system.
- Review and revisions of current job descriptions were ongoing.
- Review of employee personal files continued.
- Meetings were held with HRB system provider to discuss issues related with software.

#### **VIII– ADMINISTRATION & SECURITY: Reported by Ahmadiyya Musayev**

##### **a) Administrative affairs**

- Water meter readings are monitored:

- Gascompressor	28.02-01.04.2022	778.00m3
- Water distribution point	26.02-29.03.2022	880.00m3
- The gas meter reading is monitored:

- Access Control Point #1	28.02-01.04.2022	1,446.83m3
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- Sent a letter about 1 March Civil Defense day final info to the Surakhani Civil Defense and Emergency Department on 01.03.2022;
- The meeting of the New Azerbaijan Party was held at 15:00 on 01.03.2022;
- Installed Door panels for rooms 203, 205, 206, 207, 208 and prepared MR on 03.03.2022;
- #223 room repaired on 03-04.03.2022;
- Khazangul xanim moved to the container INV# 2018 on 03.03.2022;
- The removal of drinking water Balloons from the warehouse was documented on the basis of order No. 05 on 03.03.2022;
- The balance of the Smart Card type water meter has been increased (1764m3) on 04.03.2022;
- 13 door hinges were purchased, 3 hinges of NBM plastic door were renewed in KS #11 of Gas Compressor workshop on 10.03.2022;
- The key to the door of room 221 (HR Achive) has been updated on 10.03.2022;
- Prepared MR for order door panels and zebra curtains for Bayati, Shiraz meeting rooms and a special curtain for the prayer room on 11.03.2022, and installed on 15-16.03.2022;
- The ceiling of the men's bathroom on second floor was repaired on 11.03.2022;
- Zebra curtains in rooms #201 and #217 were repaired on 16.03.2022;
- Room 235 (bathroom) was inspected for water leakage, floor was dismantled and repaired, and Buffet repaired on 19-21.03.2022;
- On transportation of goods:
  - Due to the need in the prayer room (#126), 1 ea document cabinet moved from the empty room of the operating department to the Preyer room on 31.03.2022;
  - Due to the need in the Subsurface assistant room (#229), 1 ea document cabinet and 1 ea desk moved from the empty room of the operating department to the Subsurface assistant room on 31.03.2022;
- Stationery orders for 1st and 2nd quarter stopped, the stationery available in the Warehouse is used sparingly;
- As the seats in the conference hall are not satisfactory for the purchase of 30 ea new seats was prepared MR;
- It is expected to purchase an automatic valve (fujer) ordered for the boiler house;

- It is expected to purchase goods and materials required for the repair of household appliances;
- On the monitors are showing oil and gas production and the success of the country and the company;
- Orders for curtains, door panels and protective nets have been suspended;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out, inspection of the rooms and offices, supervising the cleanliness and tidiness of the offices, rooms and around the main office was performed;
- Monthly timesheets for the Administrative contractors have been prepared;
- At the water distribution point, the gardener monitors the water supply 7 days a week;
- The gas equipment, gas pressure, temperature of the gas are control, when the weather is hot the gas pressure reduces, dirty water are removing from the gas regulating of the tank which located at the site 470, the manometers in the inlet and outlet gas lines are in control in the boiler house daily;
- Different types of food are cooking for employees every work days in canteen.
- 50 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

### **Security& Civil Defense activities**

- 143 one-time permissions were issued for 185 person and 130 vehicles entered to BEOC premises based on the requests received.
- Records in the log book of 752 employees who left for Bahar (working per shift) were maintained and their availability at work was checked during the current month.
- Deployment of employees (working on shifts) to Bahar field on vessels was accompanied on 02, 06,09,17,21,26 days of current month by the Department's rescue-diver personnel.
- 9 letters were sent to Avtandil Aqayarov, the Chief of " Tornado-S " LTD, in order to get permission certificates for 405 employees and 43 special vehicles to be able to enter the "BEOCL" area, according to terms of the contract.
- T-cards control was carried out per the established procedure.
- Civil defense related activities continued per the approved plan.

### **Information Technologies**

- Within March was no disruption in IT dept.
- 98 helpdesk requests were processed
- Replaced was failed printer in warehouse
- Connected to the corporative network office on a causeway
- Victoriya Sarofanova was provided with internal number (013)
- Support was provided on selection of surveillance camera vendor;
- App for smartphones (ext numbers) was tested and ordered
- Downloaded Geophysical data from Hasan to the simulation server
- Two employees were provided with new laptops
- Replaced failed printer in MMTIX office
- Tested and accepted equipment of resigned personnel
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

**IX– PROCUREMENT & MATERIALS: Reported by Rasul Gafarov**

- 94 MRs & SRs Received;
- 90 POs and SOs prepared in SUN System;
- 0 MR canceled/oh hold;
- 3 MRs & SRs passed to Contract/Tender;
- 57 MRs & SRs under sourcing stage.

**Tendered Contracts under process – 1**

- BEOCL 10178 Construction of Seaport

**Number of Valid Contracts**

- OPS/WO/LOG – 29 (3 services contracts for empl.);
- Construction - 23;
- HSE – 13 (including 1 service contract for empl.);
- G&G – 12 (incl. 2 consultancy contracts & 2 internship program);
- ADMIN – 18 (incl. 4 service contracts for empl.);
- HR – 5;
- ITC – 13;
- Legal – 17;
- PM – 17
- Finance – 3;
- Logistics -- 63 (including 14 service contract for bus drivers; 26 – compulsory insurance; 1 – operator of 60t crane; 1 – rigger; 3- minibus driver; 1 vacuum truck driver )
- WH - 2

Number of addendums/extensions – 5

Termination of agreements - 0

**Materials and Handling Department:**

- **1,201,076.00 kg** handled without incident;
- Handling division received 136 materials transfer request
- WHS received **39 PO's, 76 line items** for the amount of **AZN 2,362,951.77;**
- WHS issued **339** line items for the amount of **AZN 919,528.14;**
- **46** NCR's raised; **11** NCR's was closed;
- Fuel station received **293,196.00** Liter of Diesel;
- Fuel station issued **344,911.00** Liters of Diesel;
- Fuel balance at April 1, 2022, is **49,852.00** Liters;

-----**End of Report**-----