

BAHAR ENERGY OPERATING COMPANY LIMITED

Monthly Report

May 2022

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during May 2022 is below:

a) Health Safety and Environment:

- No incidents or spills were recorded in May. BEOC issued 51 Permits to Work in May.
- 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, 522 employees (100%) received the 1st dose, 522 employees (100%) received the 2nd dose, 452 employees received the 3rd dose, and 6 employees received the 4th dose vaccine by the end of May.

b) Production:

- Oil production was 439 Bopd, down by 21 Bopd from April 2022, due to a slight decline in GD479 due to sand influx to the wellbore and ongoing well maintenance.
- Gas production was 20.9 MMcfd, which was up 0.4 MMcfd from April production due to bringing on production BH165 well on Platform 168. Unfortunately, B169 well production stopped due to a hole in the production string.
- 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 pressures, which required additional compression fuel.
- Total production of 3906 BOE/d in May was up 5 percent from the prior month but remains 34 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 and Q3 2022.

c) Workovers:

- In Gum Deniz, workovers in the GD474 and GD203 continued, and wells GD58, GD465, GD430, and GD716 were returned to production.
- In Bahar, well BH 169 and BH74 continued fishing and recompletion activities. WO operations started in well BH144 at PLT048.

d) Construction:

- Offshore construction operations continued on the GZU 2, PLT 48, PLT 65, PLT 70/106, PLT 9/129, and periodically PLT9/129 in the Bahar field.

e) Subsurface

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

f) Marine:

- In May 2022, the "Athlete", "Shirvan" and "Shkhlinskiy" crane vessels were not available to work for BEOC, however, the Ulluchay vessel-assisted construction and workover activities.

g) General Management

- The Bahar Contractor Parties met with BEOC on May 12 and May 19th to review progress on implementing the 2022 WP&B. 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

Summary: HSE:

- No incidents were recorded in May.
- TRIR is 0.00 by the end of May.

Monthly Safety statistics (Lagging indicators)

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
April	0	84682	0	0	58
May	0	89885	0	0	51
Total	0	434574	0	0	294

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

High Level HSE Comments: No 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. 522 employees (100%) received the 1st dose, 522 employees (100%) received the 2nd dose, 452 employees (86.5%) received the 3th dose, 6 employees received 4th dose vaccine by the end of May.
- HSE department has been taking preventive disinfecting actions in the BEOC work places against potential Corona Virus infection.
- HSE department performed weekly disinfecting of company-rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer are regularly controlled and filled by HSE representatives at the BEOCL premises.
- 57 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.
- Snake repellent treatment against poisonous snakes has been carried out in our production areas.

- SAFETY:

- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 10 newcomers/ visitors.

- In accordance with Local Regulation the Health and Safety knowledge evaluation of 27 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 completed and reported. Firefighting water pumps were tested at the Oil Process and Transportation field.
- Fire water poles were inspected; valves, taps and heads were serviced; each water pole was numbered, and a monthly inspection tag was hung on it and registered for control.
- Firefighting boards were inspected and registered. Missing firefighting tools (shovel, ax, link, bucket, etc.) on the fire boards were provided /completed.

- ENVIRONMENT

- Environmental Statistics for Month/Annual

Month	Spills Number	Spill Volume	Comments
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
Total	0	0	0

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (30 m3) was disposed through Hovsan Sewage treatment plant.

Inspections from enforcement agencies, shareholders & third party:

Safety inspection was conducted in May by Industrial Safety Department of SOCAR

Outstanding non-conformities recorded by: & percentage of completion

Issued on 18.02.2022 -State Fire Control Service – 50%

Issued on 29.12.2021 -State Agency for Safe work in Industry and Mining Control – 65%

Issued on 18.06.2021 - Ministry of Ecology and Natural Resources – 100%

Issued on 14.07.2021 - SOCAR Upstream – 55%

Issued on 06.05.2022 -Industrial Safety Department of SOCAR – 100%

Training and other activities:

- As a part of HSE Assurance Plan 2022 Safety Stand down Meetings were conducted at the BEOCL worksites on the following topics in May:

“Hot work” for 20 employees.

“Correct usage of SCBA and Gas detectors” for 18 employees.

- The Azerbaijan State Scientific Research Institute of Occupational Safety and Health of the Ministry of Emergency Situations conducted a training on "Hoist operator" and “Hot oil pumping unit’s operator” for 8 employees.

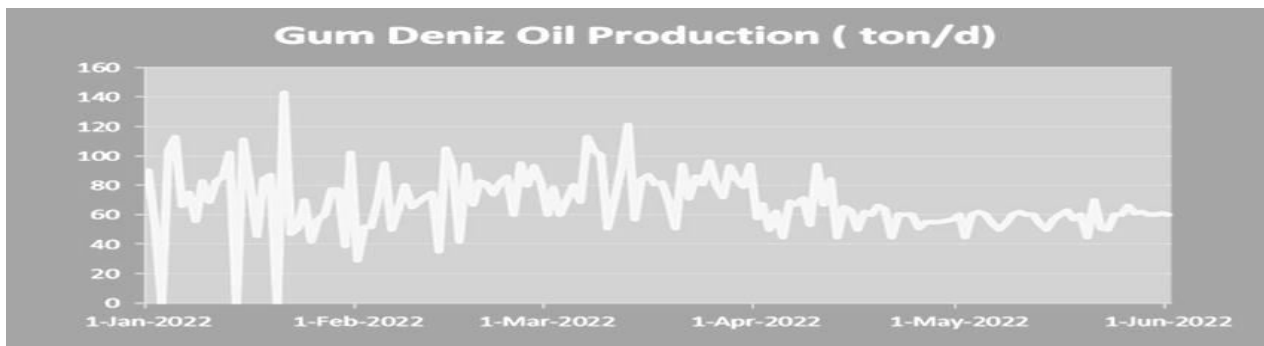
II - PRODUCTION OPERATIONS: *Reported by Alamdar Useynov.*

Production year to date is shown in the table below:

OIL and GAS Production 2022 Budget and Actual																	
May-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	40	7.51	302	61	460	102	753	580,722	20,508,197	539,801	19,063,072	3,429	805,741	28,454,743	5,119	3,731	5,871
May	65	7.51	486	58	439	99	734	594,412	20,991,660	538,360	19,012,183	3,420	814,953	28,780,065	5,177	3,906	5,911
June																	
Q2 Average																	
JULY																	
AUGUST																	
SEPTEMBER																	
Q3 Average																	
OCTOBER																	
NOVEMBER																	
DECEMBER																	
Q4 Average																	

Production – Gum Deniz

- Production rate of the Gum Deniz field averaged 58 tons/day. Delivery was 65 tons/day .
- During the reporting period, we did not deliver solution gas, the volume of gas required for oil refining and domestic demand for compressors was 2,460,000 m3 (82,000 x 30).

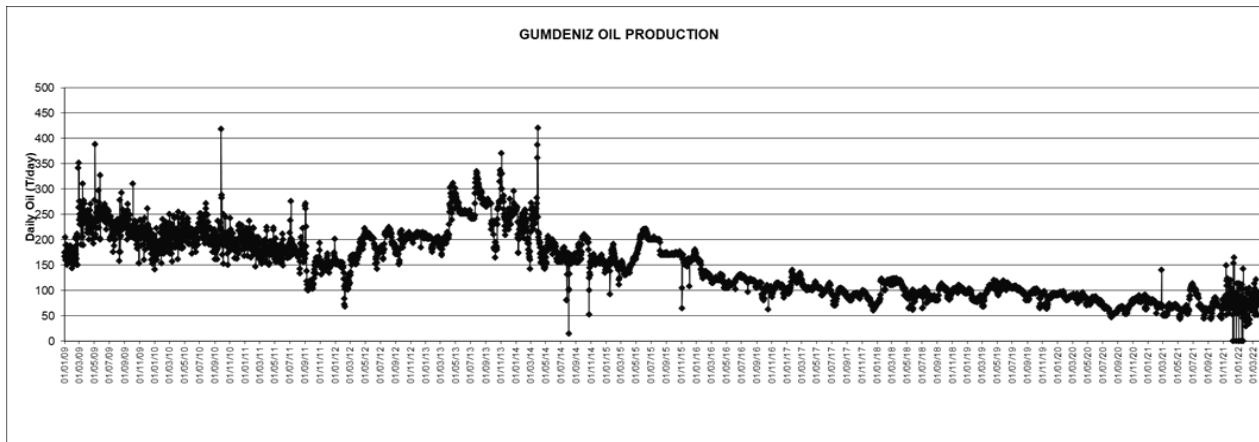


The chart below shows the reasons for oil production decrease

Oil Production Rate Differences Between April and May 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
April 2022	2	2	0	0	4	9	4	0	3	0	3	2	0	0	0	3	5	0	0	0	3	2	2	4	6	4	5	13	1	0	7	3	0	88
May 2022	2	2	0	0	4	14	3	0	3	0	3	0	0	0	0	3	6	0	0	0	2	2	2	4	6	4	5	12	1	0	7	0	0	85
Difference																												-3						

- GD-058 WO operations were completed in the well and well was POP with gas-lift method.
- GD-465 WO operations were completed in the well and the well was POP with gas-lift method. Well was again handed over to WO department due to water production.
- GD-430. Well was handed over to WO due to decrease in production. WO operations was completed in the well and the well was POP with ESP method.
- GD-716 WO operations were completed in the well and the well was POP with gas-lift method.
- GD-203 WO operations are underway...
- GD-474 WO operations are underway...

Year to Date Production: Gum Deniz



Production – Bahar

- Bahar daily gas delivery realized as an average of 538 360 m3/day
- Gas delivery was 19.012 MMcfd.



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

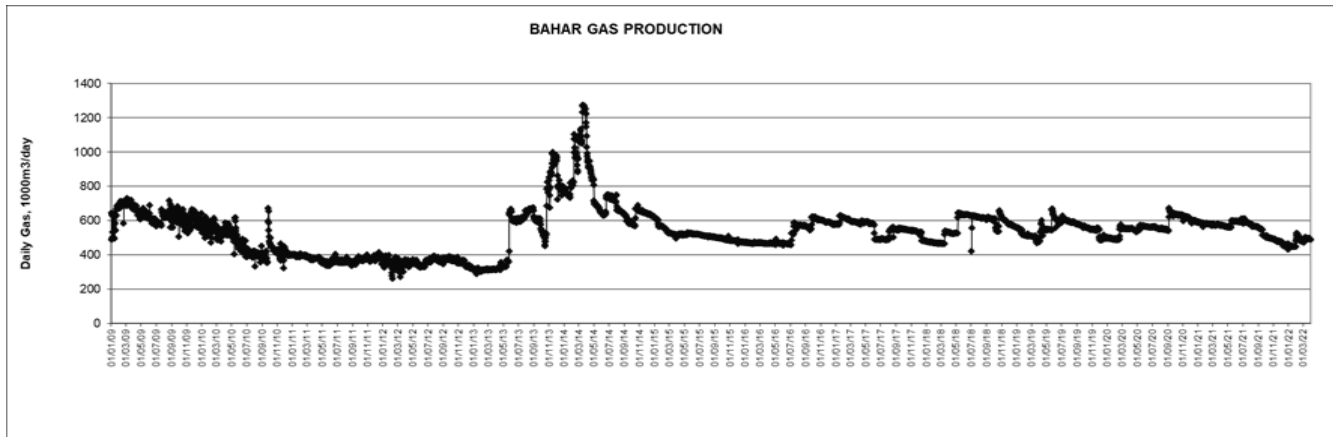
Gas Production Rate Differences Between April and May 2022

Date / Well#	83	140	144	165	167	169	170	171	175	179	182	205	206	241	Total, x1000 m3
April 2022	22	38	0	106	0	47	104	1	70	67	1	20	67	40	584.5
May 2022	22	38	0	149	0	0	115	1	72	70	1	21	67	40	596.0
Difference															11.5

- WO operations are underway in well BH169 at PLT168 of the “Bahar” field.
- WO operations are underway in well BH074 at PLT 70/106 of the “Bahar” field.
- WO operations has started and in progress in the well BH144 at PLT048 of the “Bahar” field.

During the reporting period, the “Athlete”, “Shirvan” and “Shkhlinskiy” crane vessels did not operate on order.

Year to Date Production: Bahar



Additional Production Works:

- The “Closed System” project, which is designed to prevent the environmental pollution of produced water discharged from process tanks at oil processing and delivery fields, is being continued by the Construction Department.
- Medium repair and reconstruction works are underway on the 6th gas compressor machine in CS1.
- Relocation of gas / liquid metering junction at PLT470 belonging to “Gum-Deniz” field is underway.
- In connection with the liquidation of the Gas Distribution Unit on the PLT450 "Gum Deniz" field, 3pc 2.5" gas-lift lines were laid from PLT 9 to PLT 450, coordination work is underway by the construction division.
 - The construction of oil and gas separating unit (OGSU2) No2 “Separator Park”, which is designed to separate the natural gas produced by BEOCL and deliver it to the Gas Export Department, is underway.

May 2022	
Name of the operation	Completed Operations
Hot Light Oil and Diesel Operation in wells	9(7 wells)
Fluid level survey	60(19 wells)
Sulfanol treatment in wells	1(1 wells)
Salinity measurement in wells	98(30 wells)
Soap stick application in gas wells	-

IV – CONSTRUCTION: Reported by Panah Mammadov

#	Field/Location	Work Description	Status
Gum-Deniz			
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 No2	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 have been completed. In addition, the installation of bridges, service areas over valves and pipes.	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 panels 10x10. Completed welding of leaned 10" pipes for reinforcement of the panels. Carrying out works to connect with existing causeway road. Preparatory work for the construction of the building.	In progress
4	CS, OGSU-2	On the basis of the project, Representation of BEOCL in the Republic of Azerbaijan, Reconstruction of the separator system in order to improve the quality of sales gas from the "Bahar" between them.	In progress
5	Gum-Deniz, Causeways, PLT2	Repair work to prepare wells 351 (95% of the work is completed) and wells 352 located in the "Gum-Deniz" field, causeway PLT 2 for WO. A pipe rack is being installed around the well to assemble the pipes.	In progress
Bahar field			

1	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
2	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 a 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 under rotor of well 189 and the area around the well is underway.	In progress
3	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
4	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 under rotor supports of well No146 and the area around the well has been completed. Work is underway to assemble the rotoral supports of well No. 146 and the area around the well	In progress
5	CS, offshore oil&gas collecting unit No1	Carrying out works to increase the durability of existing lines and connecting bridges in offshore oil & gas collecting Unit No1.	In progress
6	Bahar, PLT-70/106	Repair and installation works to be carried out in order to prepare for WO of well No. 74 located in PLT106/70 in "Bahar" field. Coordination of flowlines of wells and existing production lines and installation of manifold lines. Laying of 8" lines from BH65 platform to connect the line.	In progress

Additional works

1	In the hangar No. 1 of the central warehouse area, the installation of shelves for the collection of goods and materials has been completed. Next, work is underway on the 3rd hangar. Assembling and commissioning of 14pc shelves completed.	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	"Gum-Deniz" field, in different parts of the causeway, in accordance with the work plan of AFE 70-1-007-01-22, TS-01-22-07 dated 07.01.2022, designed for the repair of emergency supports. Next, preparations for the installation of supports between crossroads causeway PLT9.	Completed

4	In the field of oil refining and transportation, the oil trap has been closed with metal sheets on the floor and walls; the trap is connected between the three sections. The drainage system for oil collection is being assembled.	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	Repair of compressor machine No. 6 at CS1 of gas processing? Delivery field and cutting, welding works on inlet-outlet lines. Carrying out reconstruction works on the gas-compressor machine.	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 the work done. Checking for airtightness and commissioning have been completed.	Completed
9	Preparation of push-ups on the south-eastern and south-western legs to prepare for the Derrick skidding on the causeway at PLT208 has been completed. Carrying out works on preparation of pusher supports on north-western and north-eastern legs	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 of the new Gas Distribution Unit building was completed. Construction and painting of the GDU's building have been completed.	Completed
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 8" inlet-outlet lines for oil refining were completed.	Completed
12	In order to relocate the physico-chemical laboratory to the auxiliary building located on the island Carrying out of planned repair-construction works.	In progress
13	Carrying out works in the "5000" area in oil processing & delivery field for the purpose of cleaning and repair of sediment and deformation of some parts of the formation water trap.	In progress
14	Carrying out repair and installation works in OGSU-2 of the oil processing & delivery field using 12" pipes in order to eliminate leaks in the existing 10" product line.	In progress
15	Put on-hold welding gas lines and elbows on 2.5" gaslift lines laid from PLT9 to PLT450	In progress
16	De-assembly of "UPT-1-50" type PU device installed at causeway PLT2 and moving it on the wells No 203,716, 297, 372 with the help of "Hydraulic-Tower Sliding Jack" set.	In progress

III – WORKOVERS: Reported by: Nurlan Gashamli , Workover Department Manager

Bahar WO's

- BHR 074 - Successfully re-completed the well and perforated at the intervals 4111-4106m with no flow, moved uphole and completed the well at 4088-4085m vs 4081-4075m w/ 3-3/8" TCP two times by re-perforating the well at the same intervals with purpose of to pierce 3-layer casing slots. But, no flow. Observed MAPSET packer stuck (caused by mud) while retrieving ops. Came off from On-Off Tool and managed to

POOH BHA. Uphole completion execution at Hor. VII up flow unit by perforating at 4039 – 4044m interval underway...

- BHR 144 – The wellbore was scraped 5-1/2" cased hole down to 3980m. VP110 type BP, was set at 3947m with cement on it. RIH w/ TCP vs MAPSET Packer BHA, to perforate at 3912 -3917m interval of Hor. VII. Execution underway...
- BHR 169 – Completed the well by providing underbalance exciting flow unit at Hor VII, but the well didn't flow. Released Packer and POOH. Logged the well and decided to set BP 3920m to isolate two flow units that flooded and add perforation at 3913 – 3916m to the upper existing flow unit at 3914 -3915m interval. Execution underway...
- BHR 190 – Moving WO equipment, living quarters and crew to the platform. Preps to start WO operations.

Gum Deniz WO's.

- GD 058 – To test the well from Hor PKup and drain the casing leak GLV system PS landed at 1853m and Put well on production – POP.
- GD 465 – Isolated the Hor PKlow. by pouring sand up to 3395m. The well put on production w/ GLV system landed at 1801m.
- GD 474 – Drilled BP and cleaned the wellbore down to 2135m. Performed remedial cementing at the intervals 2088-2085m and 2032-2035 vs 2037-2040m. Re-tagged TOC at 2022m.
- GD 716 – Completed the well by perforating at the intervals 2542 - 2539m, 2535 - 2527m. Monitoring the well production.

South Gum Deniz WO's.

- GD 430 – Cleaned the wellbore down to 3778m. RIH w/ ESP Assy, landed at 1685m. The well put back into production.
- GD 414 – Implemented the well service to inspect ESP Assy and the reason of the failure. Observed holes on two ESP pumps. Replaced and RIH to depth ongoing...

Out of Field report.

- Continue coordination of Sidetrack Project with SOCAR Drilling Trust. Made recommendations for developing a stimulation drilling program for G447 ST. Held meeting for move forward plan. Coordinating with Construction Team regarding Drilling Rig and equipment spotting at platform as per sketch requirements of SOCAR Institute.
- Continue coordinating orders regarding equipment:
 - Power Swivel Unit – 1 sets.
 - Skid base Triplex Slurry Pump – 1 sets.
- Coordinating with "ADO-G" regarding redness 28m Derrick for G417 well at PL409. Final preparations for testing the Derrick at contractor base at the first decade of the coming month.

- Coordinated with “IDS” Company and successfully tested 2nd set of 120tonner Drawwork. Will move Drawwork to offshore WO operations.
- Implementing and executing repair and maintenance programs for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with the Procurement team.

Monthly / Annual Workover Statistics

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	8	2
February	9	3
March	8	2
April	16	8
May	8	5
Total	49	20

Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 074	Fishing / Re-completion	40-2-074-01-21	272M \$	365M \$	93M \$
BHR 144	Upper hole re-completion	40-2-144-01-22	115M \$	164M \$	48M \$

Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
BHR 169	Re-completion	32M \$
GD 430	Well service	62M \$
GD 465	Optimization	99M \$
GD 474	Fishing / Lower zone Re-completion	104M \$
GD 058	Remedial cementing / Re-completion	79M \$
GD 716	Uphole re-completion	183M \$

Well operations heavy equipment report

Well operations heavy equipment field 2022 May					
Work Description	Number	Work hours	Engine Hours	Repair Hours	Mileage km
TRF	9				
Pulling units and Taw tractors used at Workover Workshop	14	890.5	890.5	125	
Stationary type pump unit (V-12)	1	19	19	9	
Stationary type pump unit (V-16)	1			13	
QBQ-120	3	230.5	230.5	19	
QBQ-160	1	214	214	5	
Mobile (two-part) ADPM unit	1	7	7	8	
Cementing Pump Trucks serving BEOC Departments	12	2604	216.5	181	20
Steam Unit Transportation field	1	56	11.5	59	3
Fire trucks of Transportation field	4				
Transportation field - Added repairs	3			40	
Number of trucks put into operation after long-term repairs					

V- SUBSURFACE: Reported by Alamdar Useynov

Workover Programs prepared

1. **GD-058** POOH tubing with gas lift valves, Run 2000m 2 7/8" tubing with gas lift valves.
2. **GD-430** POOH tubing with ESP. Clean till PBD. Run 1680m 2 7/8" tubing with ESP.
3. **GD-465** Set artificial sand plug at 3395m, run GR/CCL and check TD, run 1800m 2 7/8" tubing with gas lift valves.
4. **GD-716** POOH tubing string with gaslift valves. Clean down to PBD. Run 2450m 2 7/8" tubing with gaslift valves. Logging GR/CCL, perforate with 40mm tubing guns @ 2542-2539m(3m) , 2535-2527m(8m) at horizon IX.
5. **GD-414** POOH tubing string with gaslift valves. Inspect the condition of the 2 7/8" tubing and pump. Run 1480m 2 7/8" tubing with ESP.

Wells logged/re-logged

**GD-716 GR/CCL (3)
B-74 GR/CCL (7), QUAD-Neutron
GD-465 Water Influx Location Identification, GR/CCL
B-169 GR/NGL**

Wells completed

- 1. B-074 Fishing/Recompletion. Ongoing.** Quad-Neutron log performed. Perforated 4097-4104m, 4106-4111m at horizon VIII, and 4075-4081m, 4085-4088m at horizon VII through 3-layered casing. Expected natural gas rate is 50 Mm³/d from. Actual cost is 272 M \$.
- 2. B-144 Recompletion. Ongoing.** Scraped well down to 3980 m. BP set at 3947m. Plan is to perforate at 3912-3917m at horizon VII. Expected natural gas rate is 50 Mm³/d. Actual cost is 115 M \$.
- 3. B-169 Recompletion. Ongoing.** Completed the well by underbalance method at existing interval, but was unsuccessful. Released packer and POOH. GR/NGL logged. Decision is to set BP at 3920m to isolate intervals that water flooded and perforate 3913-3916m at horizon VII. Expected natural gas rate is 70 Mm³/d from. Actual cost is 32 M \$.
- 4. GD-430 Well Service.** Cleaned the wellbore down to 3778m. RIH with ESP at 1685m. POP. Expected oil rate was 10 ton/d. Actual cost is 62 M \$.
- 5. GD-058 Remedial Cementing Operation.** Expected oil rate is 4 ton/d PK horizon. PS landed at 1853m. Producing 57 m³/d water for drain formation. Actual cost is 79 M \$.
- 6. GD-716 Recompletion.** Perforated 2542-2539m, 2535-2527m at horizon IX. POP, only water 37 m³/d. Actual cost is 183 M \$.
- 7. GD-474 Fishing/Recompletion.** Drilled BP and cleaned down to 2135m. Performed cementing. Expected oil rate is 5 ton/d IX/X horizon. Actual cost is 104 M \$.
- 8. GD-465 Optimization.** Isolated lower section of horizon PK by setting sand up to 3395m. RIH PS with gas lift valves. POP, only water 30m³/d. Expected oil rate is 2 ton/d. Actual cost is 99 M \$.

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

Interpreted logs from GGI:

1. B-74 Quad-Neutron
2. GD-465 Water Influx Location Identification
3. B-169 GR/NGL

Geology

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.

May 2022 Planned and Fact Production Comparison			
	Plan	Fact	Difference
Oil and Condensate, tons	3073.519	1837.341	60%
Free Gas, Mm3	25263.552	17421.650	69%
Solution Gas, Mm3	3826.624	1031.190	27%

Seismic:

1. **GD-447** sidetrack program: seismic review to identify drilling location, check-shot survey.

VI- FINANCE: Reported by Rasul Gafarov

On a Monthly Base:

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

Issued Apr-22 Additional Monthly reports to Contractor Parties.

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

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

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

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;
- Export oil pricing issues were reviewed, legal analysis was conducted, and necessary communication was maintained with SOCAR Marketing;
- Cooperation was maintained with SOCAR Upstream and required information and documents were provided a letter was addressed on deemed approval of Revised ADP and Relinquishment of Bahar-2;
- Letters were addressed to SOCAR on meeting with Acting SOCAR President;
- Visit was made with the required documents to the Tax Crimes Investigation Department with respect to the case of one former vendor;
- CMC meeting was attended and necessary documents and information was prepared accordingly;
- Draft TSA Policy was prepared;
- Draft MSA for TSA was prepared and sent to SOCAR Upstream for Drilling Engineer-related discrete services;

- Cooperation was maintained with law-enforcement agencies with respect to grenades and fishing boats revealed in the area;
- Liaison activities with Surakhany Mayor's office and other government authorities, including security forces, continued;
- Participation was ensured in Azerbaijan Ethics and Compliance Network sessions and activities;
- 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 and other activities were carried out;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translation support was ensured.

HR issues

- Use of the outstanding vacations was monitored.
- Employment Agreements of 1 employee were terminated.
- To be expired contracts were followed up and management was updated.
- Overall, 309 HR-related operations have been completed through this month.
- Organizational structures have been updated as per last changes.
- 74 vacations and 21 bulletins have been written and entered into the HRB system.
- Review and revisions of current job descriptions are ongoing.
- Review of employee personal files continued.
- Meetings were held with HRB system provider to discuss issues related to software.

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

- Water meter readings are monitored:

○ Gascompressor	04.05-01.06.2022	1128.00m3
○ Water distribution point	01.05-31.05.2022	967.00m3
- The gas meter reading is monitored:
- Access Control Point #104.05-01.06.2022 235.00m3
- The balance (3538m3) of the Smart Card type water meter has been increased on 04.05.2022;
- An information board, artificial turf and flowers were installed in the Martyrs' Corner on 04.05.2022;
- 132 insect screens have been installed on the windows of offices and foyers of the office building on 10.05.2022;
- Stationery orders for the 1st and 2nd quarter stopped; the stationery available in the Warehouse is used sparingly;
- 30 ea new seats for conference hall, and 8 ea seat for waiting ordered, was prepared MR;
- An automatic valve (fujer) ordered for the boiler house, was prepared MR;
- Materials for the repair of AC, Fridge ordered, was prepared MR;
- On the monitors are showing oil and gas production and the success of the country and the company;
- Orders for curtains and door panels 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;
- Different types of food are cooking for employees every work days in canteen.
- 57 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

- 141 one-time permissions were issued for 189 persons and 120 vehicles entered to BEOC premises based on the requests received.
- Records in the log book of 978 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 04, 05,09,13,17,25,26,29 days of current month by the Department's rescue-diver personnel.
- 7 letters were sent to Avtandil Aqayarov, the Chief of " Tornado-S " LTD, in order to get permission certificates for 167 employees and 12 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 as per the approved plan.

Information Technologies

- Within May was no disruption in ICT dept.;
- 118 helpdesk requests were processed;
- Google subscription renewed for next year;
- Two faulted UPS were replaced in KS;
- Two faulty printers were fixed;
- New geologist was provided with laptop and software;
- Solved internet problem in Compressor station and Oil delivery offices;
- Provided Construction team with two laptops for work from home;
- One employee was provided with new laptop;
- 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

Procurement Department:

- 75 MRs & SRs Received;
- 59 POs and SOs prepared in SUN System;

- 1 MR canceled/oh hold;
- 3 MRs & SRs passed to Contract/Tender;
- 44 MRs & SRs under sourcing stage.

Tendered Contracts under process – 1

- BEOCL 10178 Construction of Seaport

Number of Valid Contracts

- OPS – 30 (3 services contracts for empl.);
- WO/LOG – 24 (9 services contracts for empl.);
- Construction - 23;
- HSE – 17 (including 1 service contract for empl.);
- G&G – 13 (incl. 3 consultancy contracts & 2 internship program);
- ADMIN – 17(including 2 service contracts for empl.)
- HR – 5;
- ITC – 13;
- Legal – 17;
- Finance – 3;
- Procurement-15
- Logistics -- 61 (including 14 service contract for bus drivers; 24 – compulsory insurance; 1 – operator of 60t crane; 1 – rigger; 3- minibus driver; 1 vacuum truck driver)
- WH - 2

Number of addendums/extensions – 4

Termination of agreements – 0

Materials and Handling Department:

- **2,507,000.00 kg** handled without incident;
- Handling division received 130 materials transfer requests;
- WHS received **51 PO's, 179 line items** for the amount of **AZN 741,296.09**;
- WHS issued **394** line items for the amount of **AZN 2845,081.46**;
- **43** NCR's raised; **15** NCR's closed;
- Fuel station received **0.00** Liter of Diesel;
- Fuel station issued **10,171.00** Liters of Diesel;
- Fuel balance at June 1, 2022, is **128,074.00** Liters;

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