

**BAHAR ENERGY OPERATING COMPANY LIMITED**

**Monthly Report**

**August 2022**

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

**a) Summary: HSE:**

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

**b) 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
June	0	83030	0	0	53
July	0	77358	0	0	61
August	0	80956	0	0	42
<b>Total</b>	<b>0</b>	<b>675918</b>	<b>0</b>	<b>0</b>	<b>423</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 incident was recorded during this month.

**d) HSE Activity**

**- HEALTH:**

- Daily monitoring of COVID-19 vaccination status of BEOCL employees was carried out by HSE department. 527 employees (100%) received 1<sup>st</sup> dose, 527 employees (100%) received 2<sup>nd</sup> dose, 454 employees (86.5%) received 3<sup>th</sup> dose, 6 employee received 4<sup>th</sup> dose vaccine by the end of August.
- HSE department has been taking preventive disinfecting actions in the BEOC work places against potential Corona Virus infection.
- HSE department performed weekly disinfecting of the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer regularly control and filled by HSE representatives at the BEOCL premises.
- 61 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 31 newcomers/ visitors.
- In accordance with Local Regulation the Health and Safety knowledge evaluation of 3 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 completed and reported. Firefighting water pump was 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, axe, 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
June	0	0	0
July	0	0	0
August	0	0	0
<b>Total</b>	0	0	0

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (42 m3) was disposed through Hovsan Sewage treatment plant.

**Inspections from enforcement agencies, shareholders & third party:**

Outstanding non-conformities recorded by: & percentage of completion

Issued on 18.02.2022 -State Fire Control Service – 60%

Issued on 30.06.2022 -State Agency for Safe work in Industry and Mining Control – 62%

Issued on 14.07.2022 - Ministry of Ecology and Natural Resources – 100%

Issued on 14.07.2021 - SOCAR Upstream – 60%

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 in the following topics in August:

“Excavation Safety” for 16 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																	
Aug-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	77	7.48	576	63	471	100	737	581,241	20,526,526	523,219	18,477,479	3,324	859,693	30,360,058	5,461	3,899	6,198
Q2 Average	61	7.50	454	61	457	100	741	585,458	20,675,461	533,793	18,850,912	3,391	826,796	29,198,289	5,252	3,846	5,993
JULY	60	7.45	447	56	416	97	718	619,257	21,869,061	559,705	19,765,982	3,556	846,288	29,886,661	5,376	4,002	6,094
AUGUST	52	7.46	386	52	388	99	733	689,481	24,349,022	635,967	22,459,175	4,040	839,770	29,656,478	5,335	4,426	6,067
SEPTEMBER																	
Q3 Average																	
OCTOBER																	
NOVEMBER																	
DECEMBER																	
Q4 Average																	

**Production – Gum-Deniz**

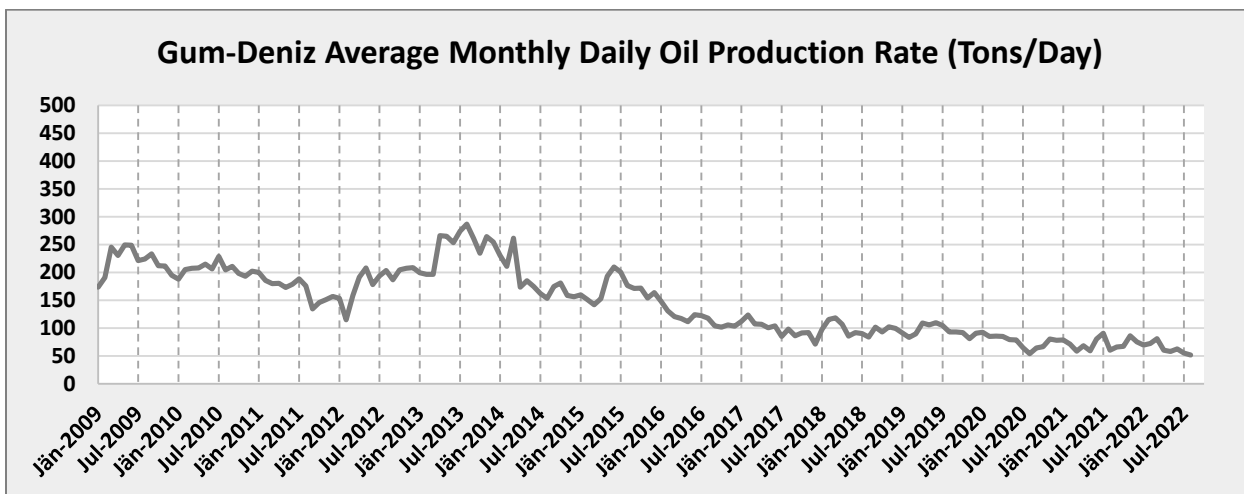
- Gum-Deniz field’s average production rate is 52 tons/day. Delivery is 52 tons/day.
- During the period covered by the report, we did not have any solution gas deliveries, the volume of gas needed for oil processing and domestic demand of compressors was 2,387,000 m3 (77,000 x 31).

The chart below shows the reasons for decrease in oil production:

Oil Production Rate Differences Between July and August 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
July 2022	1	2	0	0	3	15	3	0	6	0	3	4	0	0	0	1	6	0	0	0	3	1	2	3	6	2	3	6	1	0	6	3	0	81
August 2022	1	2	0	0	3	14	3	0	6	0	3	10	0	0	0	3	5	0	0	0	1	1	2	3	6	2	2	2	1	0	6	2	0	78
<b>Difference</b>																																		
-3																																		

- SGD-477 well was handed over to workover due to the failure of the ESP belonging to Schlumberger. New ESP was installed and the well was put on production.
- The workover operations in well SGD-413 are ongoing.
- The workover operations in well GD-058 were completed and the well was put on production using the gas lift method.
- The well GD-478 was handed over to workover due to decrease in production. The workover operations in this well were completed and the well was put on production using the gas lift method.
- The well GD-445 was handed over to workover. The workover operations are ongoing.
- The well GD-479 was handed over to workover due to decrease in production. The workover operations are ongoing.
- The workover operations in well GD-203 are ongoing.
- The workover operations in well GD-474 are ongoing.
- The workover operations in well GD-351 are ongoing.

#### Year to Date Production: Gum-Deniz



#### Production – Bahar

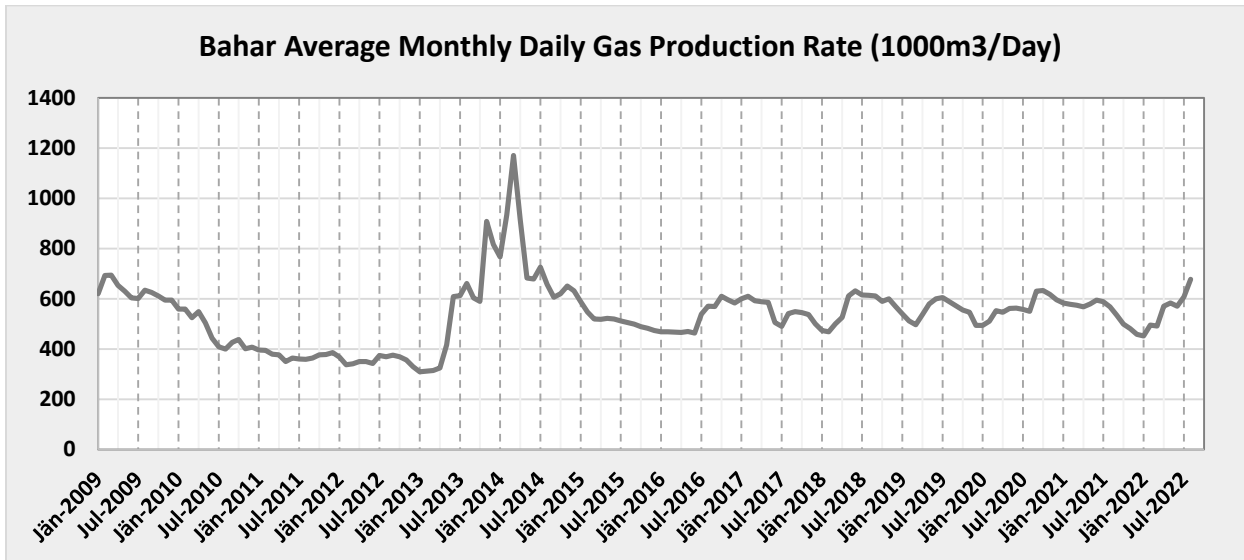
- Bahar field's average gas delivery is 635 967 m<sup>3</sup>/day
- Gas delivery was 22.46 MMcfd.

The chart below shows the reasons for gas delivery increase:

Gas Production Rate Differences Between July and August 2022															
Date / Well#	83	140	144	165	167	169	170	171	175	179	182	205	206	241	Total, x1000 m3
July 2022	33	37	0	108	0	110	103	1	69	67	1	19	44	44	636.0
August 2022	37	38	56	97	0	95	98	1	72	68	1	23	43	47	676.0
Difference															40.0

- The workover operations in well No.144 at PLT.48 of the “Bahar” field were completed and well was put on production.
- The workover operations in well No.167 at PLT.168 of the “Bahar” field are ongoing.
- The workover operations in well No.74 at PLT.70/106 of the “Bahar” field are ongoing.
- The workover operations in well No.190 at PLT.065 of the “Bahar” field are ongoing.
- The construction and repair works at PLT.9/129 of the “Bahar” field are ongoing.
- The construction and repair works at PLT.077 of the “Bahar” field are ongoing.

### Year to Date Production: Bahar



During the period covered by the report, "Shirvan" and "Shykhliniski" type crane vessels worked on lease.

#### **Works performed by "Shirvan-3" crane vessel:**

- Took on board autocrane from the “Zigh-3” port and transported it to Bahar PLT.9/129. The vessel relocated 2 pcs of panels on this PLT.

- Took on board 3 pcs of panels from PLT.20. In addition, moved 2 panels from this PLT to the deck of "Ulluchay" crane vessel.
- Transported 3 pcs of panels to PLT.83/162 from its deck and relocated 2 pcs of panels on this PLT.
- Transported and placed the winch on the western part of the upper (working) area of PLT.168.
- Took on board 28m derrick from PLT.152 and transported it to "Zira" port. Took on board 4 pcs of boatlanding from the "Zira" port and transported them to PLT.136.

***Works performed by "Shykhliniski" crane vessel:***

- Took on board 2 pcs of 53m derrick from PLT.175. In addition, relocated the 53m derrick from well No.174 to well No.177 on this PLT.
- Transported and placed 2 pcs of 53m derricks from its deck to "Zira" port. Took on board 2 pcs of 28m derricks and 3 pcs of panels from the "Zira" port.
- Moved 1 pedestal from the lower area of the PLT.83/162 and placed it on well No.171. In addition, moved the 28 m derrick from its deck on to well No.171.
- Moved a 28m derrick from its deck and placed it on well No.146 at "Bahar" PLT.48 and also, moved 3 panels from its deck on to this PLT. The vessel took "A-80" lifting device from PLT.48 and transported and installed it on well No.205 at PLT.20
- Took on board 53m derrick from well No.123 at PLT.78 and transported it to "Zira" port.

**Additional Production Works:**

- The "**Closed System**" project designed to prevent the environmental pollution by the formation water discharged from the technological tanks at Oil Processing and Delivery Field is being continued by the "Construction Department".
- The 5,000-meter tank, which collects groundwater from the 5,000-meter area in "Oil Processing and Delivery field", has been prepared for repair work and waiting for construction crew.
- Medium repair and reconstruction work on machine No.5 in CS.1 was completed. The machine had a test run and was considered satisfactory.
- The work of relocating the gas/liquid measurement junction in PLT470 belonging to the "Gum-Deniz" field is ongoing.
- "Gum-Deniz" field, due to the liquidation of GDU on causeway PLT 450, 3pcs 2.5" gas lift lines were laid from causeway PLT9 to causeway PLT450, and joining works are ongoing by the construction division.

- The construction of the OGSU-2 Separator park, designed for separation and delivery of the "Bahar" field's gas to the Gas Export Department in order to increase the quality of the natural gas produced by the "BEOCL" Company, continues.

Augusty 2022	
Name of the operation	Completed Operations
Hot Light Oil and Diesel Operation in wells	11(7 wells)
Fluid level survey	44(18 wells)
Sulfanol treatment in wells	2(2 wells)
Salinity measurement in wells	80(32 wells)
Soap stick application in gas wells	-

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

#	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 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. Initial stage of the build has been completed by metal construction and welding works. Next, the side walls of the building are being constructed.	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 "Spring" field in OGSU2. Installation of 6 new separators and coordination between them.	In progress



5	Gum-Deniz, Causeways, in between PLT235-64	"Gum-Deniz" 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
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<b>Bahar field</b>			
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 living block. Currently wells 187, 189, 190, and 191 are ready for WO.	In progress
3	Bahar, PLT-9/129	Installation of metal panels and repair/construction works of PLT 9/129 in connection with WO of wells 129; 9; and 45.	In progress
4	Bahar, PLT 48	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 wells 145 and 146 and the area around the wells had been completed. The installation and fastening of the new MM in the eastern part of the residential block has been completed.	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 77	As the first stage of PLT 77, in order to prepare the well 77 for WO: the base preparation in order to install metal panels and the replacement of piles around the well and under the rotor.	In progress
7	Bahar, PLT-70/106	Repair and installation works to be carried out in order to prepare for the WO of well #74 located in PLT70/106 "Bahar" field. Connection of wells and existing production lines and installation of manifold lines. Reinforcement and coordination of 8" production lines from PLT65.	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 15pc shelves are completed. Work is underway to assemble the shelves of the 4th 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. Installation of corrugated metal sheets. A total of 445 m <sup>2</sup> of roofing work has been completed. Construction works for the purpose of closing the surrounding walls have been completed.	In progress
3	"Gum-Deniz" field, in different parts of the causeway, in accordance with the work plan of AFE 70-1-007-01-22Ç TS-01-22-07 dated 07.01.2022, designed for the repair of emergency supports. Driving and connecting the supports at PLT No.9.	In progress
4	Installation of 16"-12" inlet and outlet lines of oil trap, 6" drainage lines and piles for the pump to be installed and connection lines in Oil Processing and Delivery Field.	In progress,
5	Carrying out repair works in Gas Compressor Machine No5 for the purpose of reconstruction works at CS1 of Gas Processing&delivery field. In the proses of the repair and reconstruction of machine No. 5 at compressor station No. 1 of Gas Processing and Delivery field: cutting and welding works on the inlet and outlet lines were completed, and next, the repair and reconstruction of machine No. 5 was completed.	Completed
6	Centering and fastening of the tubing head and replacement of the working area around the well with new metal sheets are carried out in order to prepare the well No. 441 at PLT 208 for WO.	In progress
7	The reconstruction of the concrete foundation of the 8NDV type water pump No.3 located in the pump house if the compressor station No.1 of "Gas Processing and Dehydration Field" has been completed. In addition, the connection of these pumps with the existing inlet-outlet lines has been completed.	In progress
8	"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 pipes. Lifting of sub-rotor piles around well 352 and connection to existing panel.	In progress
9	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
10	In the "5,000" area of the oil processing and delivery field, work has been completed to clean and repair the bottom sediment and deformation of some parts of the formation water trap. Carrying out repair work based on the defect act.	In progress
11	Driving and connecting 16" piles for the purpose of relocation of methanol tanks and installation of a new pedestal in the Gas Dehydration Unit. Next, the works of laying connecting lines using 2" pipes have been completed.	In progress
12	Welding of 2.5" gas lift lines and elbows laid between causeway PLT9 and PLT450 in connection with the relocation of the Gas Distribution Unit.	Completed

13	In the proses of the repair and reconstruction of machine No.6 at compressor station No.1 of Gas Processing and Delivery field: cutting and welding works on the inlet and outlet lines were completed, and next, the repiar and reconstruction of machine No.6 was completed.	In progress
14	Carrying out the repair works on the protection parts and increasing the stability of the cooling fins of the AVZ type engine intended for the cooling system in Gas Processing and Delivery Field CS No.2.	Completed
15	Leak elimination works have been completed at: 630mm formation water line in the area of oil processing and delivery field; 700mm gas line to OGSU No.2 in gas processing and delivery field; 2.5" gas line of well No.6 in PLT No.460; and 6" and 4" salt water line in the Causeway area.	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 "Hydraulic-Tower Sliding Jack" set.	In progress
17	Preparation of parts for the installation of 2 units of ESP (water pumps) in the intended area of site No. 2	In progress
18	Restoration of the technical water line between "Gum-Deniz" Causeway No. 470 and SOCAR's Industrial Safety Department has been completed.	In progress

**III – WORKOVERS:** Reported by: Yunus Namazov , Workover Department Manager

**Bahar WO's**

- BHR 074 - Continued with uphole recompletion at HOR VI by perforating at the intervals 3859 - 3855m; 3831 - 3823m, 3804 - 3797m and 3790 - 3787m. Executions for recompletions at HOR V by perforating at the intervlas 3752-3747m is ongoing...
- BHR 144 – Successfully completed uphole recompletions at the HOR V / Perforated intervals are 3642 - 3635m.
- BHR 167 – Completed recomplations at Hor V / 3708 - 3713m. No flow. Executions for recompletions at HOR V by perforating at the intervlas 3655-3652m and 3646-3643m is ongoing...
- BHR 190 – Cleaned the wellbore with drilling down to 3866.59m. Operations are ongoing...

**Gum Deniz WO's.**

- GD 445 – Started recompletions – target zone is HOR VIII. Executions are ongoing...
- GD 203 – Cleaning the wellbore from packer parts and tail pipe by milling thru the perforated zone at 2490.78m.
- GD 351 – Started recompletions – target zone is HOR VIII. Executions are ongoing...

- GD 478 – Successfully recompleted the well at HOR IX by perforating at the intervals 2483-2481m, 2480-2478m and 2462-2460m.
- GD 479 – Successfully recompleted the well at HOR X by perforating at the intervals 2463-2461m and 2453-2451m.
- GD 477 – Recompleted the well POP w/ ESP ASSY at 1998.30m.
- GD 058 – Isolated lower zones by pouring the sand up to 3360m. RIH w/ Production String - GLV system, to in aim to discharge the damage zone at 3350-3340m.

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

- GD 413 – Isolated lower zones at 3514-3547m by pouring the sand up to 3494m. Performed acid treatment to damage zone at 2937-2930m. Will continue with isolations such as casing patch, fine cementing or smart set solutions. Working on plans...

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

- Continue coordinating orders regarding equipment:
  - Power Swivel Unit – 1 sets.
  - Skid base Triplex Slurry Pump – 2 sets.
- Continued coordinating with “ADO-G” regarding redness of 28m Derricks for upcoming plans at Gum-deniz and Bahar field.
- Coordinated with “IDS” Company for 3<sup>rd</sup> – 4<sup>th</sup> 120 tonners Drawworks, tanks, and drums redness.
- Successfully completed rig movements by “Shirvan and Shiklynsky” crane-vessels.
- Prepared AFE's for continued and upcoming ops.
- “End of Wells” report has been prepared and submitted.
- Service company's rental act, SGGI's monthly operations act and contractor's other services act were prepared with coordinating related groups and submitted accordingly.
- Implementing and executing repair and maintenances programs for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with the Procurement team.

#### **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
April	16	8
May	8	5
June	12	6
July	13	3
August	14	7
<b>Total</b>	<b>88</b>	<b>36</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 074	Fishing / Re-completion	40-2-074-02-21	377M \$	446M \$	169M \$
BHR 144	Uphole re-completion	40-2-144-01-22	248M \$	291M \$	43M \$
BHR 190	Re-activation	40-2-190-01-22	95M \$	286M \$	191M \$
BHR 167	Re-completion	40-2-167-01-22	68M \$	196M \$	128M \$
GD 203	Re-completion	40-1-203-01-22	122M \$	146M \$	24M \$
GD 351	Re-completion	40-1-35101-22	20M \$	140M \$	119M \$
GD 478	Re-completion	40-1-478-01-22	13M \$	23M \$	10M \$
GD 479	Re-completion / Well Service	40-1-479-01-22	19M \$	15M \$	-2M \$

**Summary of Well Service Activity**

<b>Well Services</b>		
<b>Well</b>	<b>Operation</b>	<b>Actual Cost</b>
GD 413	ESP replace	35M \$
GD 058	Well service / Discharging damage zone	122M \$
GD 477	Well service	53M \$
GD 445	Well service	3M \$
GD 479	Well service	12.5M\$

**Well operations heavy equipment report**

<b>Well operations heavy equipment field 2022 August</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	10				
Pulling units and Taw tractors used at Workover Workshop	5	1490.5	1490.5	123	
Stationary type pump unit (V-12)	1	137	137	9	
Stationary type pump unit (V-16)	1			5	
QBQ-120	4	392.5	392.5	32	
QBQ-160	1	279.5	279.5	10	
Mobile (two-part) ADPM unit	1	4	4	13	
Cementing Pump Trucks serving BEOC Departments	12	2916	494.5	179	29
Steam Unit Transportation field	1	64	9	3	11
Fire trucks of Transportation field	4				
Transportation field - Added repairs	4			32	
Number of trucks put into operation after long-term repairs					

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

**Workover Programs prepared**

1. **GD-479** POOH tubing string with gas lift valves. Clean till to TD. Run 2050m 2 7/8" tubing with gaslift valves (1 st program). Logging GR/CCL and perforate at X horizon 2463-2461m, 2453-2451m (2nd program).
2. **GD-351** RIH special mill, drill the cement plug 2074m,2150m,2224m,2491m, fishing tubing strings 2 7/8" -65m(Fishing top-2600m) and mapset packer, cement plug 2729m,3401m and 3461m. Clean well down to 3556m. RIH and perform , QR/QUAD/CCL(3556-1900m) logging. Further operations will be planned according to GR/QUAD results.
3. **GD-445** POOH tubing string with gas lift valves. Check TD with GR/CCL. Clean sand plug if is needed. Logging GR/CCL/QUAD Neutron from 2352m to 1970m. Further operations will be planned according to GR/QUAD results.
4. **GD-478** POOH tubing string with gas lift valves. Clean sand plug till TD. Perforate at horizon IX 2483-2481m, 2480-2478m, 2462-2460m. Run 1500m 2 7/8" tubing with gas lift valves
5. **B-074** If not open MP POOH the tubing string open on-off connector. Set BP at 4020m and put on cement liquid. Run 86mm TCP guns with mapset packer at the end production string within perforation zone 3752-3747m(5m). Coorolate packer setting and TSP guns depth. Drop detonator bar and perforate 3752-3747(5m) horizon V. POP.
6. **B-167** If not open MP POOH the tubing string open on-off connector. Set BP at 4020 and put on cement liquid. Run 86 mm TCP guns with mapset packer at the end production string within perforation zone 3655-3652 (3m), 3643-3646m.Coorolate packer setting and TCP guns depth. Drop detenotar bar and perforate 3665-3652m, 3643-3646m. POP.

#### Wells logged/re-logged

**B-167 GR/CCL, GR-NGL-NNL**

**B-074 GR/CCL (4), QK-LLM**

**B-144 GR/CCL**

**GD-447 GR/CCL**

**GD-478 GR/CCL**

**GD-479 GR/CCL**

#### Wells completed

1. **B-074 Fishing/Recompletion. Ongoing.** Perforated 3855-3859m at horizon VI, 3797-3804m at horizon V. No flow. Actual cost is 377 M \$.
2. **B-144 Uphole Recompletion.** Perforated 3642-3635m at horizon V. Well produces 60 Mm3/d natural gas, 1 m3/d liuid with 50% water cut. Actual cost is 248M \$.
3. **B-190 Recompletion. Ongoing.** Expected natural gas rate is 70 Mm3/d from horizon X. Actual cost is 95 M \$.
4. **B-167 Recompletion. Ongoing.** Perforated 3708-3713m at horizon V. No flow. Actual cost is 68 M \$.
5. **GD-203 Re-completion. Ongoing.** Completed mobilization and RU jobs. Cleaned wellbore till 2490.78 m. Expected oil rate is 4 ton/d from horizon VIII. Actual cost is 122 M \$.
6. **GD-058 Well Service/Discharging damage zone.** POOH PS, cleaned and circulated. Expected oil rate is 4 ton/d PK horizon. Actual cost is 122 M \$.
7. **GD-413 Well Service/ESP replace. Ongoing.** Actual cost is 35 M \$.
8. **GD-351 Recompletion. Ongoing.** Expected oil rate is 3 tons/d. Actual cost is 20 M \$.
9. **GD-477 Well Service.** Actual cost is 53 M \$.
10. **GD-445 Recompletion.** Expecte oil rate is 10 tons/d oil. Actual cost is 3 M \$.

- 11. GD-478 Recompletion.** Perforated 2483-2481m, 2480-2487m, and 2462-2460m at horizon IX. Actual cost is 13 M \$.
- 12. GD-479 Well Service.** Actual cost is 12.5 M \$.
- 13. GD-479 Recompletion.** Perforated 2463-2461m, 2453-2451m at horizon X. Well produces 5 tons/d oil, 75 tons/d water and 1 Mm3/d solution gas with gas lifting method. Actual cost is 19 M \$.

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

**Interpreted logs from GGI:  
B-167 GR-NGL-NNL**

**Geology**

**Reservoir Engineering**

- 1. GumDeniz PK and KaS horizon simulation model history match in progress.
- 2. Balakhany IX, X and FS history match in progress.
- 3. Production forecasting update up to end of 2022 and for 2023.
- 4. Preparation 2023 AWP report.
- 5. WO Success file updated.
- 6. Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
- 7. Updated Bahar and GD OFGM database.
- 8. Updated Daily and monthly Production follow up database.

<b><u>August 2022 Planned and Fact Production Comparison</u></b>			
	<b>Plan</b>	<b>Fact</b>	<b>Achieved</b>
<b>Oil and Condensate, tons</b>	<b>3070.909</b>	<b>1614.100</b>	<b>53%</b>
<b>Free Gas, Mm3</b>	<b>26032.884</b>	<b>21373.920</b>	<b>82%</b>
<b>Solution Gas, Mm3</b>	<b>3759.135</b>	<b>1148.341</b>	<b>31%</b>

**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 Jul-22 accounting cycle in accordance with the monthly schedule.

According to JOA issued Jul-22 Monthly reports to Contractor Parties.

According to JOA Aug – Sep-22 Cash Calls distributed to Contractor Parties.



Issued Jul-22 Additional Monthly reports to Contractor Parties.

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

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

Prepared and submitted monthly Jul-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 was 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 grenade and fishing boat 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 on;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

### **HR issues**

- Use of the outstanding vacations was monitored.
- Employment Agreements were signed with 6 new employees.
- To be expired contracts were followed up and management was updated.
- Overall 379 HR related operations have been made through this month.
- Organizational structures have been updated as per last changes.

- 154 vacations and 22 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**

- Water meter readings are monitored:
  - o Gascompressor 28.06-01.08.2022 673.00m<sup>3</sup>
  - o Water distribution point 01.07-31.07.2022 1046.00m<sup>3</sup>
- The gas meter reading is monitored:
  - o Access Control Point #1 28.06-01.08.2022 15.97m<sup>3</sup>
- 26 new air conditioners were purchased on 24.06.2022:
  - o June: 26-2
    - 2 ea 45m<sup>2</sup>
  - o July: 24-13
    - 1 ea 80m<sup>2</sup>
    - 3 ea 45m<sup>2</sup>
    - 9 ea 30m<sup>2</sup>
- Defect acts were prepared for Fixed assets unusable;
- Goods and materials required for the repair of household equipment were purchased;
- Stationery orders for 1<sup>st</sup> and 2<sup>nd</sup> 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;
- 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;
- Water transportation is controlled at the water distribution point;
- Greenery is maintained by a gardener.
- Different types of food are cooking for employees every work days in canteen.
- 65 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**

- 250 one-time permissions were issued for 158 person and 190 vehicles entered to BEOC premises based on the requests received.
- Records in the log book of 1015 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 04,05,08,13,16,23,26,27 days of current month by the Department's rescue-diver personnel.
- 3 letters were sent to Avtandil Aqayarov, the Chief of " Tornado-S " LTD, in order to get permission certificates for 323 employees and 47 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 July was no disruption in ICT dept.
- 75 helpdesk requests were processed
- Necessary changes have been made in the WOI department
- Tarlan Aliyev in Oil processing and delivery field was provided with computer and email
- Failed printer in Compressor station office was replaced
- 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:**

- 67 MRs & SRs Received;
- 106 POs and SOs prepared in SUN System;
- 1 MR canceled/oh hold;
- 32 MRs & SRs passed to Contract/Tender;
- 32 MRs & SRs under sourcing stage.

#### **Tendered Contracts on hold – 1**

- BEOCL 10178 Construction of Seaport

#### **Number of Valid Contracts**

- OPS – 38 (including 8 services contracts);
- WO/LOG – 58 (including 40 services contracts & 1 consultancy contract);
- Construction – 52 (including 28 service contracts);
- HSE – 22 (including 1 service contract for empl.);
- G&G – 11 (including 3 consultancy contracts);

- ADMIN – 17 (including 2 service contracts for empl.)
- HR – 5;
- ITC – 14;
- Legal – 17;
- Finance – 3;
- Procurement-15;
- Logistics — 74 (including 14 service contract for bus drivers; 24 – compulsory insurance; 1- minibus driver; 1 vacuum truck driver; 4 pickup driver) ;
- WH – 3 (including 2 service contracts)

Number of addendums/extensions – 14

Termination of agreements - 0

Recommendation to prolongation contracts-0

**Materials and Handling Department:**

- **2,484,000.00 kg** handled without incident;
- Handling division received 201 materials transfer request
- WHS received **38 PO's, 154 line items** for the amount of **AZN 351,577.02;**
- WHS issued **438 line items** for the amount of **AZN 620,788.10;**
- **143** NCR's raised; **27** NCR's was closed;
- Fuel station received **170,980.00** Liter of Diesel;
- Fuel station issued **197,317.00** Liters of Diesel;
- Fuel balance at September 1, 2022, is **54,404.00** Liters;

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