

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

September 2020

Contents

EXECUTIVE SUMMARY:.....	2
I - HEALTH, SAFETY & ENVIRONMENT:	2
II - PRODUCTION / OPERATIONS:.....	5
III – CONSTRUCTION:	12
IV – SUBSURFACE:	133
V - FINANCE:.....	144
VI – PROCUREMENT & MATERIALS:	165
VII– LEGAL PROCESS AND HUMAN RESOURCES.....	16
VIII – ADMINISTRATION & SECURITY:.....	16
IX – IT:.....	17

EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during September 2020 are below:

a) Health Safety and Environment:

- September was again a positive HSE month for BEOC, with no TRIR's and no incidents. Fifty PTWs were issued, and 20 STOP cards were collected.
- HSE department has been taking preventive actions in the BEOC buildings and main roads against potential Corona Virus infection.

b) Production:

- Oil production was 625 Bopd, down 4 Bopd from August 2020, due to ESP failures in South GD wells.
- Gas production was 20.9 MMcfd, which was higher by 2.6 MMcfd from August due to the successful recompletion on the Bahar 169 well in the horizon VII. Total September production of 4108 BOE/d was an increase of 432 BOE/d from August, but still 568 below budget due to the COVID-19 slowing the operations program.
- BEOC also utilized 3.9 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization was the result of having to deliver gas to sales at higher pressure, which required additional compression fuel.

c) Workovers:

- In Gum Deniz, a Shirvan crane vessel delivered a 28m Derrick from Zira Port to platform 412. The new 28m Derrick located on Gum Deniz platform 412 is being used to undertake ESP change-outs in the South Gum Deniz wells.
- In Bahar, after the successful recompletion of B172, the rig was skidded to well B 172 for another fishing and recompletion job.

d) Construction:

- Offshore construction operations were restored on GZU 2, PLT 168, and PLT 175 in the Bahar field.

e) Subsurface

- The AWP&B technical program was completed. The work continues building geo and simulation models for main producing reservoirs in both GD and Bahar fields.
- Simulations are completed for the horizon VIII for the Gum Deniz waterflood pilot areas and also the Bahar Horizon VI.

f) Finance

- Total monthly revenues were up slightly at \$2.16 MM from the previous month, although the average September oil price of \$37.92/b was down \$2.38 from August realizations. Positive inventory utilization resulted in the reduction of the inventory by an additional \$300K in September.

g) General Management

- BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure the safe workplace for all our employees and contractors. BEOC employees are expected to be able to return to general working conditions after November 3, 2020, and BEOC management will monitor the situation and consult with SOCAR before taking any risks with our employee's health.

HEALTH, SAFETY & ENVIRONMENT: *Reported by Nuslet Safarov*

a) Summary: HSE:

- No medical treatment incident was recorded in September.
- TRIR is 0 by the end of September.

b) Monthly Safety statistics for September 2020

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	133831	0	0	94
February	0	118773	0	1	76
March	0	128686	0	0	54
April	0	93337	0	0	27
May	0	109502	0	0	33
June	0	118542	0	1	51
July	0	121799	0	0	44
August	1	118660	1.68	1	65
September	0	117228	0	0	50
Total	0	1,060,358	0.18	3	494

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 recorded during this month.

d) HSE Activity

- HEALTH:

- The HSE department has been taking preventive disinfecting actions in the BEOC buildings and main roads against potential Corona Virus infection.
- Before commencing crew change operation for the offshore staff BEOCL organized testing employees for COVID-19 to be confident about health condition of workers.
- The HSE department has started disinfecting the company rented buses as the number of confirmed cases of COVID-19 continues to rise.
- Installed 25 special dispensers for hand sanitizer regularly control and fulfil by HSE representatives at the BEOCL premises
- The body temperature of the workers coming to the work places have been measuring by a remote temperature meter at the "Gum-Deniz" island Checkpoint, and the workers with high temperatures are sent to the medical facilities located in the residential area.

- Snake repellent treatment was proceeded to carry out at the Office administrative building's vicinity and at the site workshops.
- 66 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 BEOC sites and work performance were carried out.
- General HSE induction was conducted for 6 newcomers/ visitors.
- 20 STOP cards were collected from BEOC facilities/Workshops/Platforms. All issued Cards were registered, tracking is in progress.
- The HSE Audit Permits to Work and associated certificates, verification, risk assessments, and other related documentation were monitored.
- The firefighting equipment monthly inspection was provided and reported. The 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	N/A	N/A	N/A
February	N/A	N/A	N/A
March	N/A	N/A	N/A
April	N/A	N/A	N/A
May	N/A	N/A	N/A
June	N/A	N/A	N/A
July	N/A	N/A	N/A
August	N/A	N/A	N/A
September	N/A	N/A	N/A
Total	0	0	0

- The waste segregation process was supervised by the HSE division.
- BEOC sewage water was disposed of through the Hovsan Sewage treatment plant.

e) Training and other activities:

- As a part of HSE assurance plan 2020 Safety Stand down Meetings were conducted at the BEOC worksites in the following themes:

“Guide to working safely during the coronavirus” for 150 employees

“Basic offshore safety rules” for 80 employees

The total participants were 230 workers.

II - PRODUCTION / OPERATIONS: *Reported by Ali Iskender Gurbanzade*

a) Production year to date is shown below:

OIL and GAS Production 2020 Budget and Actual																		
Sep-20	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 Production BOE	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	93	7.41	686	94	693	109	807	503,369	17,776,476	2,963	493,553	17,429,824	2,905	580,000	20,482,700	3,685	3,591	4,491
February	85	7.47	634	86	644	109	807	520,695	18,388,344	3,065	510,541	18,029,755	3,005	616,000	21,754,040	3,913	3,639	4,720
March	86	7.47	640	86	645	110	814	563,562	19,902,192	3,317	552,572	19,514,080	3,252	617,000	21,789,355	3,920	3,892	4,734
Q1 Average	88	7.45	653	89	661	109	809	529,209	18,689,004	3,115	518,889	18,324,553	3,054	604,333	21,342,032	3,839	3,707	4,648
April		7.47		86	642	110	814	556,996	19,670,314	3,278	546,134	19,286,722	3,214	615,000	21,718,725	3,907	3,214	4,721
May	55	7.46	409	80	596	110	814	571,667	20,188,420	3,365	530,309	18,727,862	3,121	623,000	22,001,245	3,958	3,531	4,772
June	80	7.46	600	80	595	110	814	572,778	20,227,655	3,371	525,926	18,573,077	3,096	636,000	22,460,340	4,040	3,695	4,854
Q2 Average	45	7.46	336	82	611	110	814	567,147	20,028,796	3,338	534,123	18,862,554	3,144	624,667	22,060,103	3,968	3,480	4,782
July	80	7.43	595	66	489	110	814	567,785	20,051,327	3,342	540,580	19,090,583	3,182	644,000	22,742,860	4,091	3,777	4,905
August	85	7.41	629	54	403	110	814	559,590	19,761,921	3,294	517,637	18,280,351	3,047	655,000	23,131,325	4,161	3,676	4,975
September	85	7.36	625	65	477	110	814	641,868	22,667,568	3,778	591,686	20,895,391	3,483	645,000	22,778,175	4,098	4,108	4,912
Q3 Average	83	7.40	616	62	456	110	814	589,748	20,826,939	3,471	549,968	19,422,108	3,237	648,000	22,884,120	4,117	3,854	4,931
October																		
November																		
December																		
Q4 Average																		

b) Production – Gum Deniz

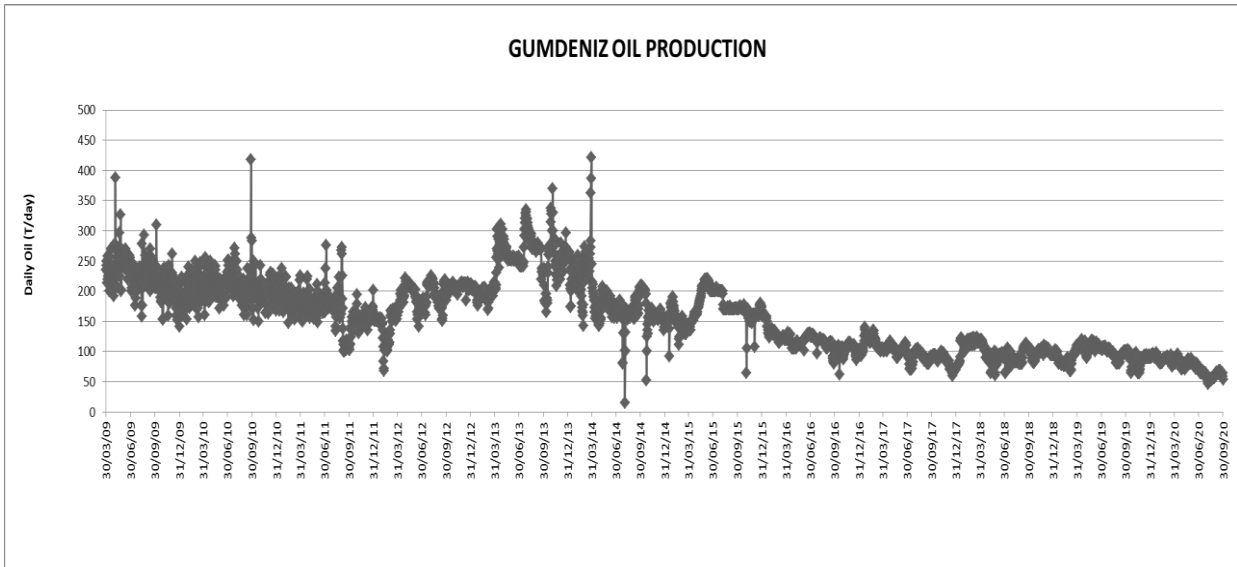
- The production rate of the Gum-Deniz field averaged 65 tons/day;
- During the report covering period we haven't delivered any solution gas ;
- The volume of gas used by compressors on internal needs for oil refinery is 3,360,000 m3(112 000 x 30)

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

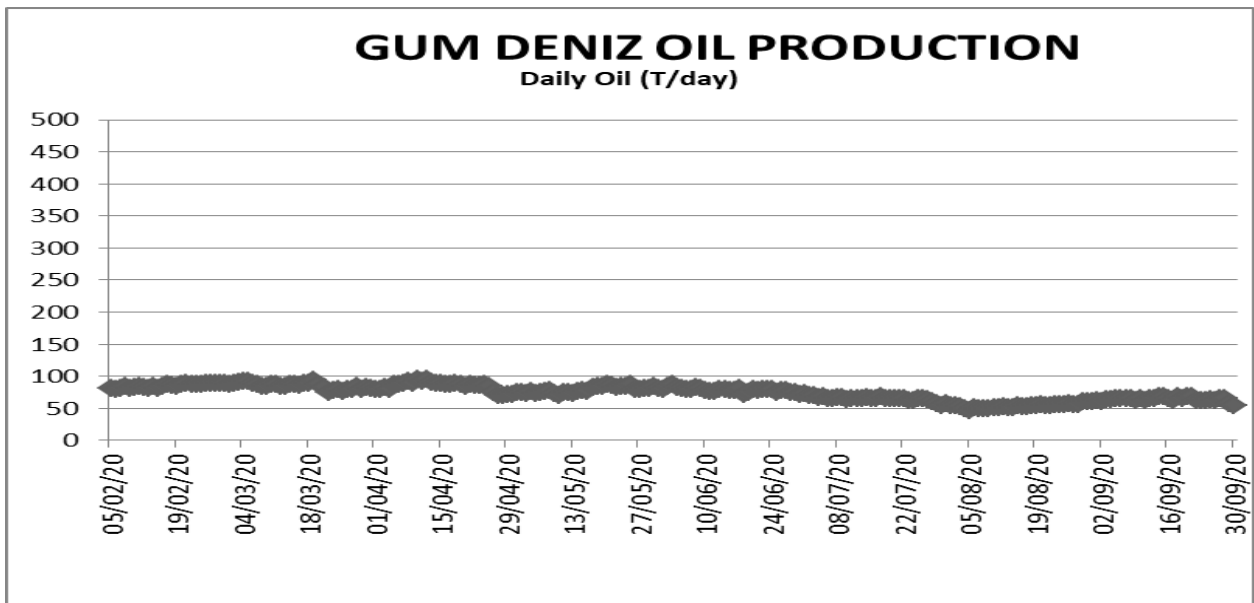
Oil Production Rate Differences Between August and September 2020																																					
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3			
August 2020	1.2	2.2	0.7	0.0	2.8	17.1	0.5	0.0	11.4	0.0	0.0	0.0	0.0	0.2	2.2	2.8	0.0	0.0	2.7	0.8	0.5	1.5	2.3	2.5	6.5	0.3	1.9	5.4	1.6	1.8	8.7	1.8	1.1	80.4			
September 2020	1.6	2.5	0.8	0.0	3.2	16.8	0.0	0.0	11.9	0.0	0.0	0.0	0.0	0.5	4.3	3.3	4.0	0.0	3.9	1.1	2.9	2.4	2.5	2.5	4.9	0.5	1.6	5.5	1.9	1.7	7.7	2.1	1.1	91.0			
																																				Difference	10.7

- WOs continues at GD-202 well.
- Due to production stop in the well GD-478, it went through WOs and completion carries out via GLV method.
- Schlumberger ESP was down in GD-418, therefore WO was carried out and recompleted via ESP.
- Schlumberger ESP was down in GD-475, well went under WO.
- Due to production stop in GD-372, well went under WO.

c) Year to Date Production: Gum Deniz



d) Oil Production for Last Six Months



e) Production – Bahar

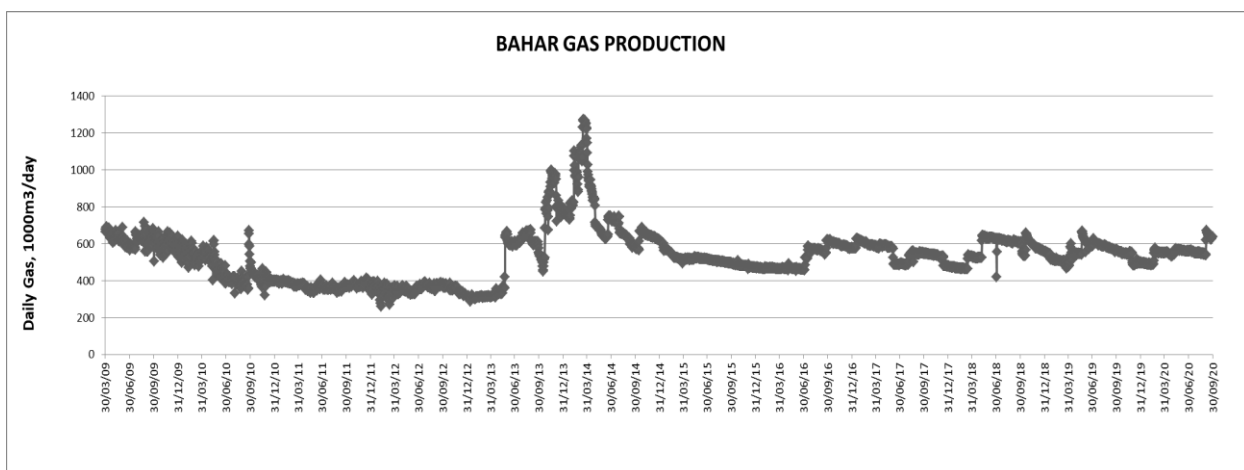
- Bahar daily gas delivery realized as an average of 641 868 m3/day.
- Gas delivery was 22.68 MMcfd.

The chart below shows the reasons for gas delivery decrease:

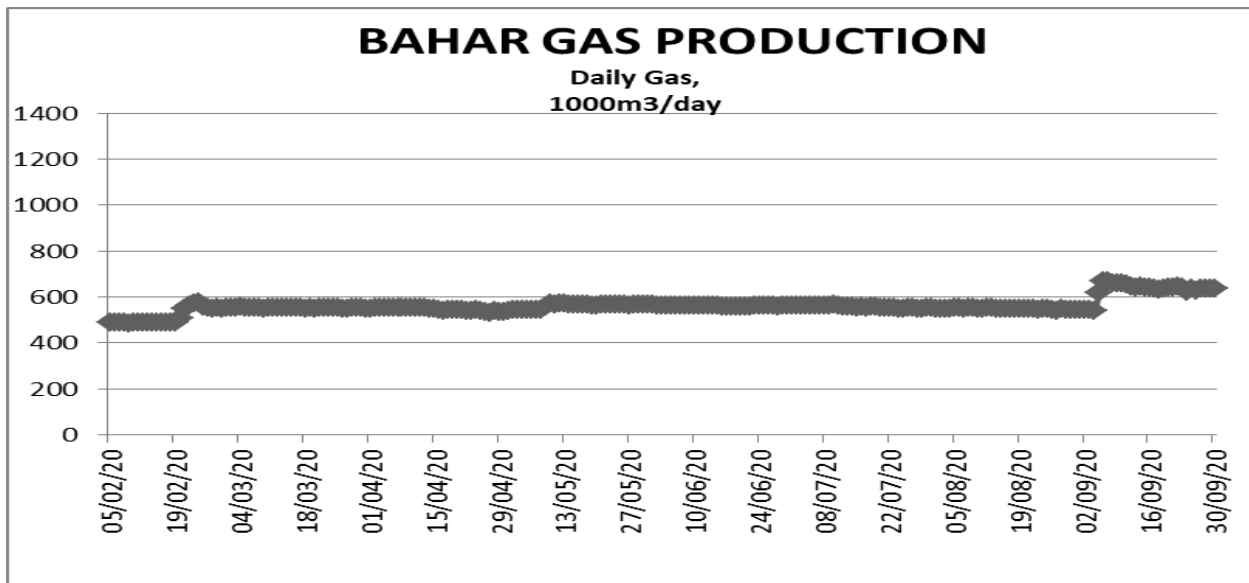
Gas Production Rate Differences Between August and September 2020													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
August 2020	37	50	26	60	0	120	41	78	75	1	19	48	555.0
September 2020	36	50	25	54	96	118	39	78	75	1	17	47	636.0
Difference													81.0

- WOs continue in the well#169 on PLT168 at Bahar field.
- The construction division's team continue repairs on GZU.2, PLT.196 & PLT.175 at Bahar field
- During the report covering period Shirvan crane vessel offloaded and placed 2 pannels 10x10 onto the the south side of the well#196 and 197, 2 pannels 10x10 were placed on the well#196. Cutting work on the pedestal of PLT83 has been carried out by Construction Team, relocation and placement on the south side of the wells#157 & 171so the Ulluchay crane vessel could pick it up.

f) Year to Date Production: Bahar



g) Bahar Gas Production for Last Six Months:



h) Additional Production Works:

- Construction of “Closed Loop System” project stipulated to prevent pollution of environment through discharge of formation water from technological storage reservoirs located at Oil Processing Unit is ongoing by “Construction Department”.
- Completed cleaning out the bottom of 3rd tank from the sediments at 2000 tanks farm at Oil Processing Unit. Commence the cleaning out 1st tank.
- Construction team started repairs of leaks commenced on 5000 and 2000 water tanks designated for disposed water accumulation located at 5000 area of Oil Processing
- Line connection works of 20” production line considered between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit by Construction team are currently ongoing.
- Due to removal of Gas Distribution Point at causeway connected to PLT450 “Construction Department” initiated laying of 3 ea of 2.5” gas lift lines running from causeway PLT009 to PLT450 at Gum-Deniz Field, works are currently ongoing.
- The replacement of an old 8” gas lift line with processed water line along the entrance road carried out by “Construction Department “is currently ongoing.
- Construction team has started the repairs of damaged places at the causeways in between PLT2 and the crossroads at Gum Deniz field.
- Construction team has initiated installation of 4” valve on 12” production line which was flushed clean, in between PLT2 and crossroads at Gum Deniz field.”

(September 2020)	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	7
Fluid level survey	81 (17 wells)
Sulfanol treatment in wells	-
Salinity measurement in wells	77
Soap stick application in gas wells	-

i) Transportation Division:

Auto-Transportation Field Report for September 2020								
Description	Number	Work hours	Moto hours	Repair Hours	Milage km	Amount of works carried out		
						Number of Vehicles/hourly	Number of Vehicles/monthly	Number of Vehicles/daily
TRF	70							
Pulling Units serving for WO	9	222.4	222.4	68				
Stationary Type Pump (V-12)	1	60.5	60.5	6				
Stationary Type Pump (V-16)	1			9				
Drawwork (QBQ-120)	2	850	850	36				
Mobile Boiler Truck (Consisting of two parts)	1	4	4					
Cement Trucks serving all BEOC Departments	11	1632	218.7	58	12			
Water Tank Trucks of Autotransportation Workshop	3	456	65	37	3982			
Other vehicles of Autotransportation field	7	680	78.5	8	986			
Number of Trucks put back into service after a long term repair works								
Rented Heavy/ Civil Plant trucks						13/79	5/months	11/30
Buses and Minibuses by Service contract							16/months	

Logistic Report for Lifting Operations for September 2020			
01.08-31.08			
Months	Orders	Weight (kg)	Hours
GENERAL	<u>Total: 70</u>	<u>Total: 873 000</u>	<u>Total: 250</u>

Marine Transportation Report for September 2020								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	24 days			1,578,781 kg	NO		TOTAL-50	TOTAL-4
MAGIC-1	21 days	312	292		NO			
SLV-363	2 days			102,588 liter	NO			
SHIRVAN	1 days			120,000 kg	NO			
XEZER-3	2 day			135,000 kg water	NO			

j) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2020

ACTIVE ENERGY	Kwatt									
LOCATION	January	February	March	April	May	June	July	August	September	TOTAL
GumDeniz - Field	900,000	742,000	805,600	800,000	812,000	798,000	714,000	630,000	470,000	6,671,600
Compressor station 14	260,000	90,000	110,400	105,000	111,000	220,000	686,000	686,000	90,000	2,358,400
Compressor station 1	356,000	215,000	249,000	253,000	274,000	410,000	405,000	342,000	190,000	2,694,000
Compressor station 2	530,000	470,000	498,000	481,000	499,000	600,000	828,000	612,000	640,000	5,158,000
Automotization Industrial Processes	7,200	6,286	7,986	7,829	8,794	8,708	8,246	7,900	8,200	71,149
Electric workshop	7,500	6,500	10,980	9,032	8,995	8,809	8,347	8,150	8,400	76,713
Oil Process	80,000	66,000	84,560	79,500	86,500	88,500	75,000	80,000	85,000	725,060
5000 area	152,000	132,000	178,000	172,000	173,000	171,000	180,000	170,000	167,000	1,495,000
Gas Process	8,662	8,261	11,170	8,437	3,592	3,253	3,767	3,368	3,663	54,173
Workover	43,324	40,128	57,960	56,010	60,173	57,302	56,840	39,684	44,481	455,902
Offices	83,700	77,900	79,060	40,060	44,223	52,100	51,638	48,472	53,270	530,423
Transportation	42,032	38,900	48,700	46,750	52,816	48,405	47,943	44,768	49,565	419,879
Laboratory	23,015	21,130	23,230	20,685	23,848	21,203	20,741	17,575	22,373	193,800
Construction	12,102	10,400	15,493	18,350	23,339	20,489	20,489	31,361	36,159	188,182
Water supply	167	146	129	31	28	52	49	48	57	707
TOTAL -KW	2,505,702	1,924,651	2,180,268	2,097,684	2,181,308	2,507,821	3,106,060	2,721,326	1,868,168	21,092,988
0.076271187										
COST AZN total	191,113	146,795	166,292	159,993	166,371	191,274	236,903	207,559	142,487	1,608,787
REACTIVE ENERGY kVAR										
AZN/KVAR 0.00104										
KVAR	1,056,804	1,141,576	1,179,464	1,143,362	1,254,237	1,678,234	2,007,753	1,948,526	1,282,975	12,692,931

k) Workovers:

Bahar WO's

- BHR 169 – Greatly executed planned WO program and successfully perforated at 3930 - 3932m, 3924 - 3927m, 3914 - 3915m intervals of Hor. VII with 86mm TCP guns. Well put on gas production. Moved the Derrick and Drawwork to next well at PL / B172 well.
- BHR 172 – Rig skidded to the well. Cleaned and Scraped 6-5/8" Casing. Fished out 4-1/2" tubing coupling from liner top. RIH w/114mm BJM BHA on DP's, couldn't get rotation at 3707m due to high well deviation, Pulled and MU tapered string with P110 tbg string and DP's. Couldn't get rotation as well. Decided to POOH and RIH w/PDM BHA.

Gum-Deniz WO's:

- GD 202 – Successfully executing fishing operation. Current reached TOF at 1926.80m (original TOF was at 1324.39m). Total fished out 62 joints of 2-7/8” NUE tbg (602.41m).
- GD 478 – Derrick was skid onto the well from G479. Pulled production string. Confirmed TD at 2528m via wireline. RIH w/93mm SCT BHA, cleaned well bore till 2612.09m. POOH and LD w/ 2216.82m. Perforated at the intervals 2418-2412m/ 2403-2399m/2389-2385m by 76mm Casing Guns. RIH w/GLV production string and landed at 1404m. POP.

South Gum Deniz WO's.

- GD 418 – Moved and successfully installed New 28m Derrick onto the well via Shirvan Crane Vessel. POOH of ESP Assy. Observed cable explosion damage with a hole on the cable and tubing joint. Also similar 7 each hole damages at different spots on 2nd pump. Explosion cracks on different spots at 5 joints above the ESP Assy. Confirmed TD at 3638m. Cleaned well bore from 3637m to 3706m. Pulled. RIH w/ ESP assy. 1436.34m. POP.
- GD 430 – Derrick was skid onto the well. Pulled and LD ESP Assy. Observed hole at Drain Sub. RIH w/93mm STC 1486m, will dry tag and clean well bore from sand fill if required.

- Monthly / Annual Workover Statistics

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	11	6
February	10	6
March	8	2
April	6	5
May	7	6
June	4	3
July	7	4
August	7	5
September	6	3
Total	66	40

- Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 169	Fishing / Recompletion	40-2-169-01-20	47M \$	405M \$	358M \$
BHR 172	Fishing / Recompletion	40-2-172-01-20	26M \$	331M \$	305M \$
GD 478	Recompletion	40-1-478-01-20	28M \$	35M \$	7M \$

- Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 418	ESP replace	32.4M \$
GD 430	ESP replace	6.5M \$
GD 202	Fishing	37.5M \$

III) Construction Department: *Reported by Alilskender Gurbanzade*

CONSTRUCTION PROGRESS REPORT FOR September 2020

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz, Causeways, Entrance road	Repairs & installation of 20" production pipeline supports along the entrance road and on the causeways in the area between 62-235 and 66-450	in progress
2	Gum-Deniz, Crossroads at Causeways	9" piles hammering and linking works in between the piles in the area of the crossroads and PLT9 at the causeways.	in progress
3	Gum-Deniz, Causeways PLT9	Hammering of 16" piles, its connection, and panels installation due to the widening of the vehicle pass at the causeway in between the crossroads and PLT9 where 6 / 0.4kV Distribution Unit No. 13 located.	in progress
4	Gum -Deniz, Causeways PLT9	Piles hammering and linking for road repair at PLT9 and area between PLT9 and road to the base.	in progress
Bahar field			
5	Bahar, GZU-2	Piles hammering works have been completed to go on with collector spool, 2 separators, the accommodation of waste water lines. Work is carrying out on connection of existing piles with new hammered ones.	in progress
6	Bahar, PLT168	The repair of the workfloor of the well#165 and rotary supports	in progress
7	Bahar, PLT-196	Due to WO of the well# 197, installation of well surrounding workfloor, pathway to the well and reinforcement of the panels.	in progress
8	Bahar, PLT-175	Assembling of new GYM and stairways in the western part of the living block. Installation of the entrance path to the Separator.	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 suspended	suspended
2	"The engine base of 25Q-50 type compressor unit No. 12 was repaired in the machine hall of compressor station No. 14 and the inlet-outlet pipelines to the machine were connected at CS, Gas Collection and Transportation areas. Waiting on unit to put in place. Work is in progress.	in progress
3	Linking works of 4th, 1st tanks and 12" line @ 5000m3 area of Pump Station and Oil Preparation & Transportation field were completed. Pipeline supports' installation works are done.	completed
4	Pipe-fitting joints were prepared in department's workshop for repair of the platform and placement of the collector spools, 2 separators, technological pipelines at GZU # 2 "Bahar" field. Works are on-going	in progress
5	Linking works are carrying out 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. Works are on-going.	in progress
6	Piles hammering and its linking at PLT9 and in between the crossroads and PLT9 area.	in progress
7	Repairs of corroded pipeline supports on the 20" production line along the causeways.	in progress
8	Installation of new oil trap for oil separation and construction of pump station at Oil Prep. & Transportation area.	in progress

IV – SUBSURFACE: *Reported by Ray Larijani*

Workover Programs prepared

- GD-418 Pull the tubing string with ESP out of the well. Check TD, if there is a sand plug, clean till 3670m. Inspect the condition of the pump and run 1770m 2 7/8" tubing with ESP in the well.
- B-172 Clean well till 3885m. Fishing of damaged tubings, clean till 4695m. Perform GR/NGL/CCL logging on 4695-3600m intervals. Further operations will be planned according to logging results.
- GD-478 Pull the tubing string with gaslift valves out of the well. Check TD. if there is a sand plug clean till TD. Perforate horizon IX, 2418-2412m(6m),2403-2399m(4m),2389-2385m(4m). Run 1700m 2 7/8" tubing with gaslift valves in the well.
- GD-430 Check TD, if there is sand plug clean till TD. Inspect the condition of the pump and run 1820m 2 7/8" tubing with ESP.

Wells logged/re-logged

None

Wells completed

- B-169 Fishing/Recompletion. Perforated 3930-3932m, 3924-3927m, 3914-3915m on horizon VII. Well produces with 105 Mm3/d free gas, 1 t/d liquid. Actual cost \$47M.
- B-172 Fishing/Recompletion. Continues. Expected gas rate is 50 Mm3/d free gas. Actual cost \$ 26.
- GD-478 Recompletion. Well produces 3 t/d oil, 110m3/d water and 3 Mm3/d solution gas. Actual cost \$ 28M .
- GD-418 Well service. ESP replacement. Well is under monitoring. Expected oil rate is 3 t/d. Actual cost \$ 32.4M .
- GD-430 Well service. ESP replacement. Well is under monitoring. Expected oil rate is 8 t/d. Actual cost \$ 6.5M .
- GD-202 Fishing . Suspended because of unexpected ESP stop of GD-372. Expected oil rate is 7 t/d. Actual cost \$ 37.5M .

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

a) Cased-hole logging

- Interpreted logs from GGI:
None

b) Geology

- Bahar field BVII horizon wells geo-correlation prepared.

c) Reservoir Engineering

- 2021 AWP prepared.
- Bahar FS-BX-BIX Simulation & WO Candidates Forecast continues.
- WO Success file updated.
- Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
- Updated Bahar and GD OFGM database.
- Updated Daily and monthly Production follow up database.

d) Seismic

- Bahar field BVII fault system review.

e) Task Scheduler

No.	Tasks started	Start date	Provisional completion date	Completion date
	GD Field			
1	GD NKP Simulation and Forecast	30 June 2020	31 December 2020	
	Bahar Field			
1	Bahar FS-BX-BIX Geomodelling, Simulation & WO Candidates Forecast	31 March 2020	31 October 2020	
2	Bahar horizon VII Geomodelling, Simulation & WO Candidates Forecast	15 September 2020	30 November 2020	
3	Bahar BVII fault system review	20 September 2020	31 October 2020	

V – FINANCE: *Reported by Rasul Gafarov*

a) On a Monthly Base:

- Completed Aug-20 accounting cycle in accordance with the monthly schedule.
- According to JOA issued Aug-20 Monthly reports to Contractor Parties.
- According to JOA Sep-20 and Oct-20 Cash Calls distributed to Contractor Parties.
- Issued Aug-20 Additional Monthly reports to Contractor Parties.
- Issued and distributed Aug-20 Monthly departmental cost reports to Budget Holders / Department Managers.
- Issued and submitted Aug-20 monthly reports to government bodies, including but not limited:
- Prepared and submitted monthly Aug-20 Financial Highlights report to the Management.

VAT, payroll, social fund and statistical reports;

b) On an Annual Base:

Continue preparation for 2019 Audit of below shown reports and actions:

- BEL Group Audit;

- BEOC Cost Recovery Report;
- BEL Profit Tax Return;

VI - PROCUREMENT & MATERIALS: *Reported by Rasul Gafarov*

a) Procurement

- 35 MRs & SRs Received;
- 46 POs and SOs prepared in SUN System;
- 0 MRs canceled/oh hold;
- 1 MRs & SRs passed to Contract/Tender;
- 11 MRs & SRs under sourcing stage.

- Tender Packs on hold – 1

- BEOCL 10165 - CS 2 Gas Separator System Renovation;

- Tender Packs on hold – 2

- BEOCL 10169 - Supplies of Steel Materials
- BEOCL 10171 - Supplies of Pipes

- NUMBER OF ACTIVE CONTRACTS

- OPS/WO/LOG – 102 (incl. 16 transportation services and 19 services contracts for empl.);
- HSE – 12 (including 1 service contract for empl.);
- G&G – 13 (incl. 3 consultancy contracts & 2 contracts for payment purpose only);
- ADMIN – 19 (incl. 1 service contracts for empl.);
- HR – 4;
- ITC – 12;
- Legal – 16;
- PM – 16 (incl. 1 contracts for payment purpose only);
- Finance – 3;

- NUMBER OF ADDENDUMS / EXTENSION -8

b) Warehouse and Materials

- **182,334.00 kg** handled without incident;
- WHS received **40 PO's, 72 line items** for the amount of **AZN 183,587.57**;
- WHS issued **213** line items for the amount of **AZN 408,685.25**;
- **19 (nineteen)** NCR's raised; **2 (two)** NCR's was closed;
- Fuel station received **102,588.00** Liter of Diesel;
- Fuel station issued **119,295.00** Liters of Diesel;
- Fuel balance on October 1, 2020, is **7,155.00** Liters

VII – LEGAL, HR, ADMIN, SECURITY & COMPLIANCE PROCESS: *Reported by Ahmadiyya Musayev*

a) Legal, Compliance, Document Control & Translation issues

- Company interests were represented in court case with vendor, arrest imposed by court was lifted from BEOC property based on another court order;
- Letter was prepared and sent to SOCAR to respond to allegations by Mirvari Gahramanli;
- Draft new Statute for Security department was drafted;
- A new letter was prepared and sent to the Task Force under the Cabinet of Ministers, State Migration Service and Ministry of Foreign Affairs for obtaining a visa for Rep Office President;
- Contacts were maintained with SOCAR and SOCAR Upstream, Cabinet of Ministers Decisions were followed up and subsequent orders were prepared for application at the Rep Office arising from Covid 19 situation;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application;
- Certain incoming letters were addressed with necessary input;
- 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;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

b) HR issues

- Use of the outstanding vacations was monitored;
- Employment of 2 Electrical welders to Oil-Gas-Industry facilities construction and repair division;
- To be expired contracts were followed up and management was updated;
- 6 term agreements were prolonged;
- Position of 100 employees were changed to enable employees to retire on preferential terms;
- Overall 311 HR related operations have been made through this month;
- Organizational structures have been changed as per last changes;
- 215 vacations and 35 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;
- Performance Appraisal of Company employees for 2019 was followed up;
- Electronic permissions were controlled and updated on e-gov to ensure uninterrupted access of employees to working places.

c) Administrative affairs

- Cleaning works were carried out with the participation of the cleaner and the gardener once the repair works were over at bomb shelter;
- Necessary support was provided for reallocation of G&G Manager at his new office;
- The boiler room belonging to the company was put into operation for inspection. Preventive inspection was carried out within 1 hour. The hot water line and batteries located in the area were inspected for water leakage. Problems were eliminated;
- Lamps in the offices and corridors of the administrative building were inspected for non-operation. Lamps and throttles were replaced.
- Documents were submitted to the sales department of Azerigas PU to get a card for the smart meter and relevant contract was signed.

d) Security

- 342 one-time permissions were issued for 454 person and 312 vehicles entered to BEOC premises based on the requests received;
- Maintaining records in the log book of 547 employees who left for Bahar (working per shift) and their availability at work was checked during September;
- Deployment of employees (working on shifts) to Bahar field on vessels was accompanied on 01,03,09,16,23,24 September by the Department's rescue-diver personnel;
- The specialists of the Department took part in the control of the transfer of 102588 liters of diesel fuel to "Bahar" area on 15 September;
- The specialists of the Department took part in the process of delivery of 180 drill pipes (of 73mm) to the "Bahar" area;
- 2 letter have been sent to Karim Rzayev, the Chief of "Etalon Security" LTD, in order to get the permission certificates for 6 employees and 4 special machine to be able to enter the "BEOCL" area, according to terms of the contract;
- Repairs of bomb shelter were continued and the status report was conveyed to Surakhany Mayor's office.

VIII – IT: *Reported by Eldar Eyyubov*

- No disruption in ICT department
- 99 helpdesk requests were processed
- Large printer in President's assistant room was fixed
- All empty cartridges were replaced
- Replaced one faulty computer at the compressor station
- 8 Computers were upgraded to Windows 10 OS
- All printers have been checked
- All empty cartridges were replaced
- All servers checked and backed up.

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