

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

June 2021

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during June 2021 is below:

a) Health Safety and Environment:

In June, there were no TRIR's and no other incidents. BEOC's TRIR is 0.28 as of the end of June. 57 PTWs were issued. Environmentally no spills were reported.

- 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 302 employees received their 1st dose and 238 employees received 2nd dose vaccine by the end of June.

b) Production:

- Oil production was 609 Bopd, up 162 Bopd from May 2021, due to reinstalling ESP's in South GD and the recompletion of the GD479 well.

- Gas production was 21.4 MMcfd, which was up slightly from May production.

- BEOC also utilized 3.9 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressure, which required additional compression fuel.

- Total production of 3,932 BOE/d in June was 7 percent below the Budget forecast for June.

c) Workovers:

- In Gum Deniz, workovers in the GD 465 continues with the GD601, GD413, GD479, and GD 430 wells completed and returned to oil production.

- In Bahar, well BH 196 and 165 continued fishing and recompletion activities.

d) Construction:

- Offshore construction operations continued on GZU 2, PLT 169, and PLT 70/106 in the Bahar field. Started laying 10" gas transmission pipeline connected to the 35atm main line where BEOCL natural gas is transported from SOCAR Oil & Gas Production Dept. after 28 May to Gas export dept

e) Subsurface

- The work continues building geo and simulation models for main producing reservoirs in both GD and Bahar fields. Work on a revised Plan of Development continues and it will be reviewed with SOCAR shortly.

f) General Management

- Preparations for the 2022 WP&B are underway and a CMC meeting is scheduled for August 12th to review the Amended Development Programme. 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 Nuslet Safarov*

Head of HSE Division

-No any incident was recorded in June.

-TRIR is 0.28 by the end of June.

a) Monthly Safety statistics for June 2021

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	120243	0	0	39
February	0	108897	1.84	1	40
March	0	131328	0	0	58
April	0	121035	0	0	64
May	0	118062	0	0	56
June	0	109240	0	0	57
Total	0	708805	0.28	1	314

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

a) High Level HSE Comments: No incident was recorded during this month.

b) HSE Activity

- HEALTH:

- Information about COVID-19 vaccination of BEOCL employees was registered and daily monitoring was carried out by the HSE department. 302 employees got 1st dose and 238 employees got 2nd dose vaccine by the end of June.
- HSE department has been taking preventive disinfecting actions at the BEOC workplaces 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 the health condition of workers.
- HSE department performed disinfecting the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer regularly control and fulfil by HSE representatives at the BEOCL premises.
- 42 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.
- Periodical medical check-up was arranged for BEOCL employees at the “Gum-Deniz” Island. 656 employees have already passed through periodical check-up during June

- SAFETY:

- Technical inspection of the BEOCL activities conducted by the specialists of State Agency for Safe Working in Industry and Mountain-Mine Control of the Ministry of Emergency Situations.
- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 9 newcomers/ visitors.
- In accordance with Local regulation the Health and Safety knowledge evaluation of 46 BEOCL technical and engineering employees were carried out.
- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspection was provided and reported. Firefighting water pump was tested at the Oil Process and Transportation field.

- ENVIRONMENT

- Environmental Statistics for Month/Annual

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

- Waste segregation process was supervised by the HSE department.
- BEOCL sewage water was disposed through the Hovsan Sewage treatment plant.
- Representatives of the Caspian Complex Environmental Monitoring Department of the Ministry of Ecology and Natural Resources conducted monitoring on produced water management and other environmental issues at the BEOCL operation sites.
- Specialists of SOCAR Environmental Department and the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan conducted environmental monitoring at BEOCL production sites in accordance with the Monitoring Schedule for 2021.

b) Training and other activities:

- As a part of HSE assurance plan 2021 Safety Stand down Meetings were conducted at the BEOCL worksites in the following themes:

“Safe transportation, loading, and handle comprised gas cylinders” for 8 employees

“Safe welding and grinding operations” for 9 employees

“Working at height” for 9 employees

“Safe and correct usage of PPE and CPE” for 8 employees

Total participants were 34 workers.

// - PRODUCTION / OPERATIONS: *Reported by Alilskender Gurbanzade*

a) Production is shown below:

Oil and GAS Production 2021 Budget and Actual																		
Jun-21	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	79	7.52	591	80	598	90	666	596,055	21,049,682	3,787	574,092	20,274,059	3,647	728,000	25,709,320	4,625	4,238	5,291
February	65	7.53	486	70	530	93	688	589,044	20,802,089	3,742	559,874	19,771,950	3,557	726,000	25,638,690	4,612	4,043	5,300
March	58	7.58	439	59	447	94	696	584,848	20,653,907	3,715	552,837	19,523,439	3,512	767,000	27,086,605	4,873	3,951	5,568
Q1 Average	67	7.54	506	70	525	92	683	589,982	20,835,226	3,748	562,268	19,856,483	3,572	740,333	26,144,872	4,703	4,078	5,386
April	69	7.54	517	69	520	93	688	578,516	20,430,293	3,675	543,913	19,208,288	3,455	797,000	28,146,055	5,063	3,972	5,751
May	59	7.51	443	60	447	59	437	589,893	20,832,071	3,747	528,386	18,659,952	3,357	568,000	20,058,920	3,608	3,800	4,045
June	70	7.49	525	81	609	70	520	606,061	21,403,044	3,850	536,300	18,939,435	3,407	582,000	20,553,330	3,697	3,932	4,217
Q2 Average	66	7.51	495	70	525	74	548	591,490	20,888,469	3,758	536,200	18,935,891	3,406	649,000	22,919,435	4,123	3,901	4,671
July			0		0		0								0	0	0	0
August			0		0		0								0	0	0	0
September			0		0		0								0	0	0	0
Q3 Average			0		0	0	0							0	0	0	0	0
October			0		0		0								0	0	0	0
November			0		0		0								0	0	0	0
December			0		0		0								0	0	0	0
Q4 Average			0		0	0	0							0	0	0	0	0

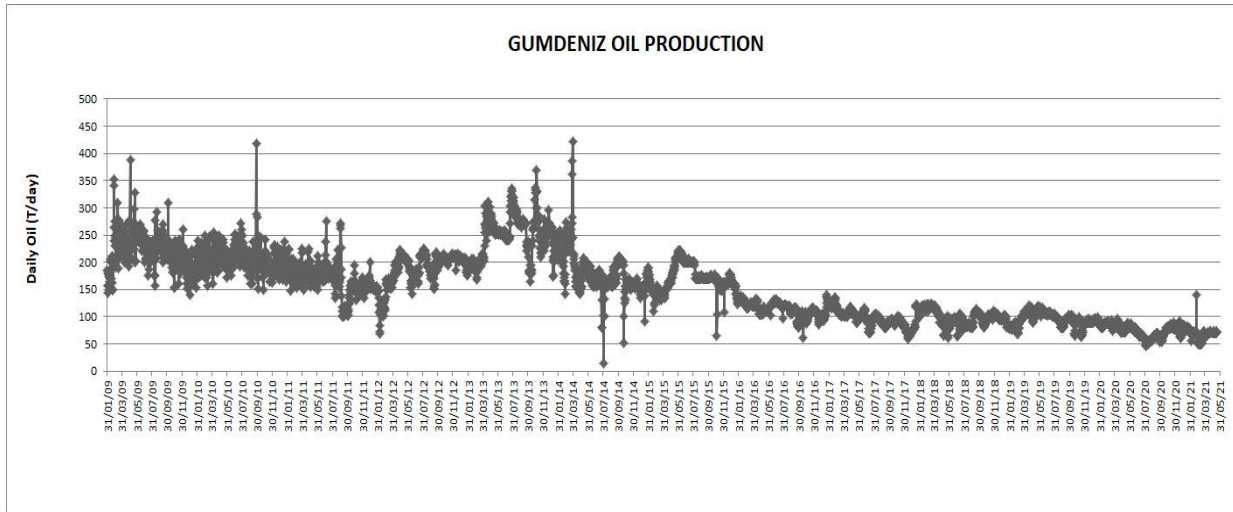
- Production rate of the Gum Deniz field averaged 81 tons/day. Delivery 70 tons/day .
- During the report covering period we haven't delivered any solution gas, the volume of gas used by compressors for internal needs for oil refinery was 3 450 000 m3 (115 000 x 30).

The chart below shows the reasons for oil production decrease

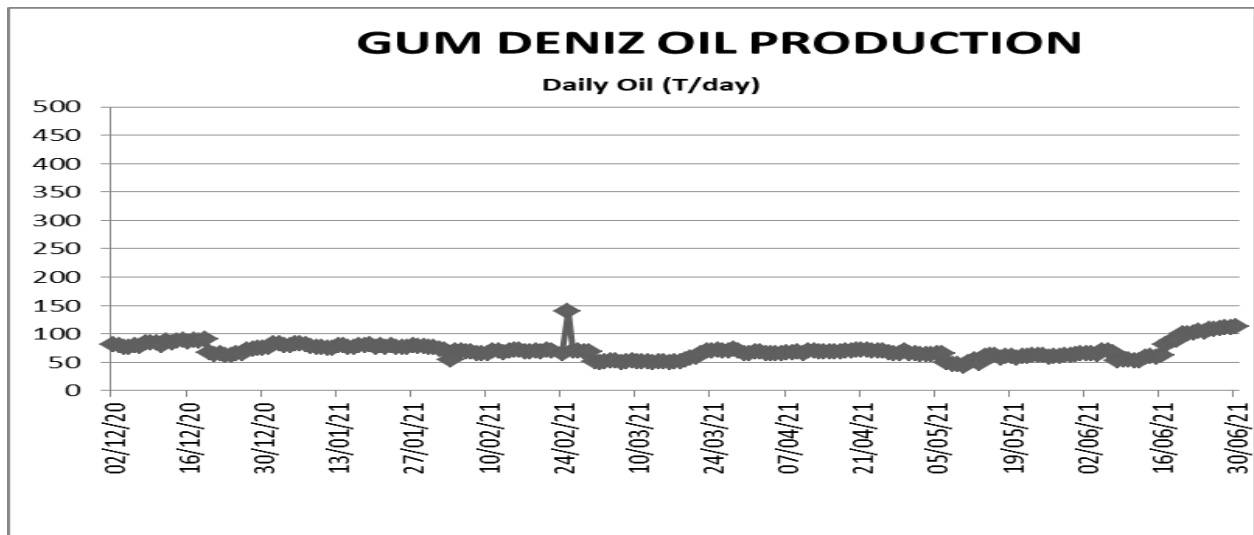
Oil Production Rate Differences Between May and June 2021																																		
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
May 2021	1.0	2.3	0.7	0.0	3.7	16.4	1.8	1.5	7.4	0.0	4.4	2.7	0.0	0.0	0.0	2.8	1.7	0.0	0.8	0.9	1.0	1.9	1.4	3.4	4.9	2.2	3.3	1.2	1.7	0.0	6.2	0.9	0.6	76.4
June 2021	1.2	2.2	0.7	0.0	4.1	16.3	1.2	0.9	5.8	0.0	1.6	1.6	0.0	0.0	0.4	3.0	1.8	0.0	0.9	1.6	1.1	2.3	1.6	3.6	6.2	2.1	7.0	20.2	1.8	0.0	7.0	3.6	0.6	100.1
Difference																						23.6												

- GD-430 WOs have been carried out, SLB ESP was run in the well, completion done.
- GD-413 WOs have been carried out, SLB ESP was run in the well, completion done.
- GD-479 WOs have been carried out, completion done via GLV method.
- GD-716 WOs have been completed, SLB ESP was run in the well, completion done.
- GD-601 WOs have been completed, completion done.
- GD-465 due to low productivity, well went under WO, WO continue.
- GD-297 WOs have been completed, completion done.

a) Year to Date Production: Gum Deniz



a) Oil Production for Last six months.



b) Production – Bahar

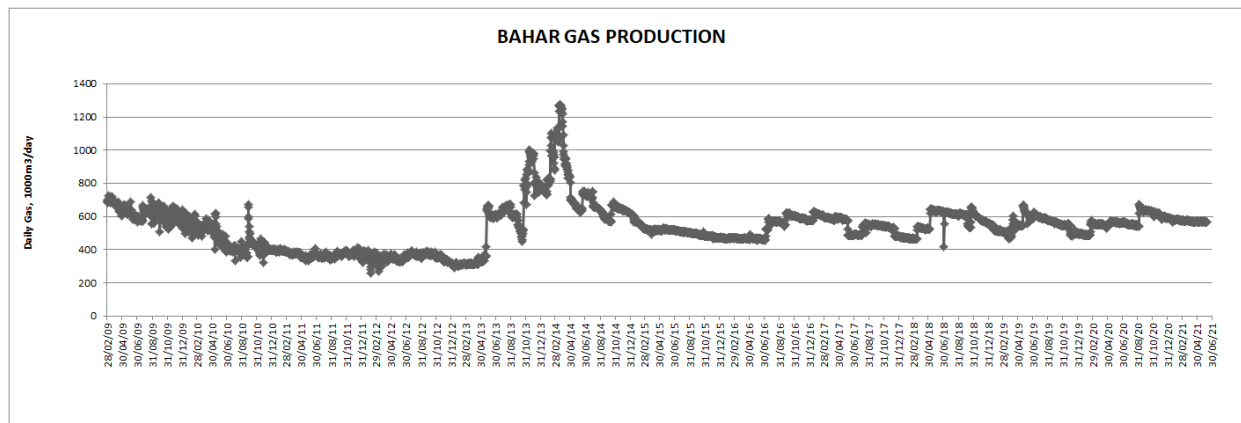
- Bahar daily gas delivery realized as an average of 536 300 m3/day
- Gas delivery was 18.939 MMcfd.

The chart below shows the reasons for gas delivery increase.

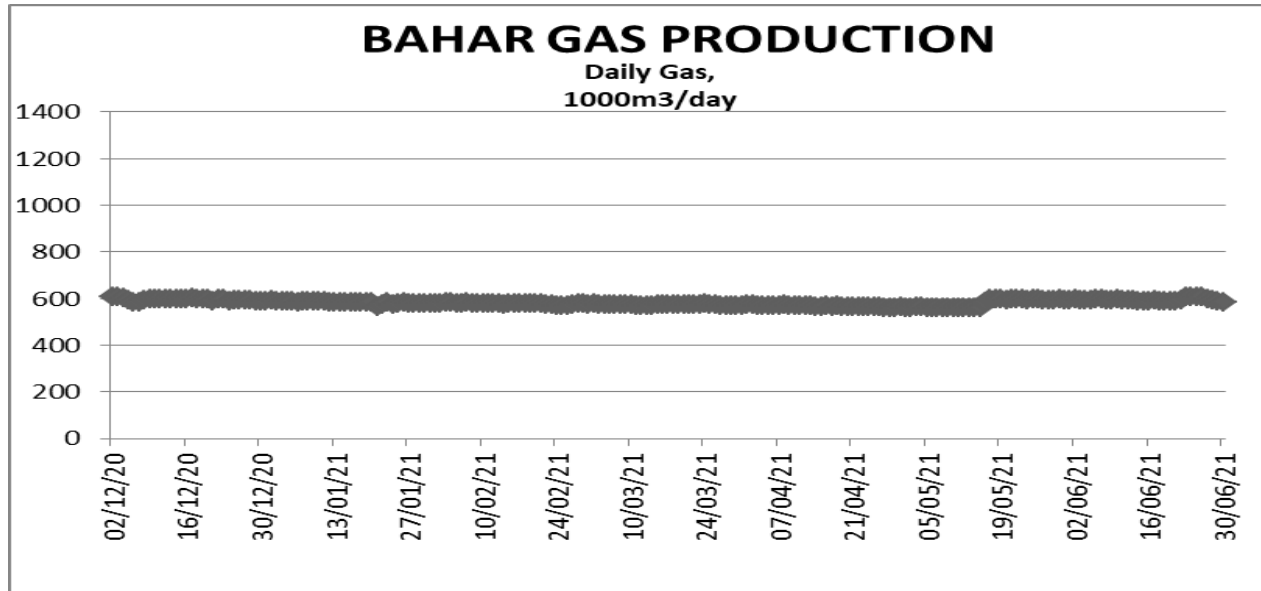
Gas Production Rate Differences Between May and June 2021													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
May 2021	37	47	18	37	86	114	37	76	75	1	15	43	586.0
June 2021	34	47	40	33	84	112	37	76	75	1	19	43	601.0
Difference													15.0

- WOs continue in the well 196 at PLT196 of Bahar field
- WOs continue in the well 165 at PLT168 of Bahar field
- Construction crews continue repairs on PLT20, PLT70/106 & PLT65 at OGSU.2 of Bahar field.
- Operations performed by “Shirvan” crane vessel during report covering period:
 1. Took onboard 28m derrick & 1 ea 60 tonner crane (w/reg.num.- 90 -K-924) from “Zira” island “. Placed 10x10m panel, 1 QBQ-160 type pulling unit (spooler) and 28m derrick(which was onboard) over the well 74 at PLT70/106. Unloaded 60 tonner crane (w/reg.num.- 90 -K-924) over the PLT65. Loaded 25 tonner crane (w/reg.num.- 99 -VX-490)onboard from GZU-3, took it, and unloaded it on PLT70. Left Bahar field.
 2. Loaded on board following eqpt. at Gum-deniz field PLT2:
2 ea Pumps, 2 ea mud tank, 2 ea diesel gen sets, 2 ea pipe racks, 1 manifold, 1 separator, 4 ea connecting beam, 109 jts of misc.size belongs to WO, living shacks relocation carried out, and all onboard stuff was hauled to “Hovsan Port”.

c) Year to Date Production: Bahar



d) Bahar Gas Production for Last Six Months.



e) Additional Production Works:

- Construction of the“Closed Loop System” project stipulated to prevent pollution of the environment through discharge of formation water from technological storage reservoirs located at Oil Processing Unit is ongoing by “Construction Division”.
- Relocation of gas / fluid measuring junction continues at 470 belonging to “Gum-Deniz” area.
- 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, connection works will proceed.
- Started &continue laying 10" gas transmission pipeline connected to the 35atm main where BEOCL natural gas is transported from SOCAR Oil & Gas Production Dept. after 28 May to Gas export dept.

June 2021	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	10 (7 wells)
Fluid level survey	90 (17 wells)
Sulfanol treatment in wells	1 (1 well)
Salinity measurement in wells	90 (33 wells)
Soap stick application in gas wells	-

f) Auto-Transportation Sub-Division.

Report for June 2021								
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	173							
Pulling Units serving for WO	9	927.5	927.5	67				
Stationary Type Pump (V-12)	1			7				
Stationary Type Pump (V-16)	1							
Drawwork (QBQ-120)	2	446.5	446.5	8				
Mobile Boiler Truck (Consisting of two parts)	1	3.5	3.5					
Cement Trucks serving all BEOC Departments	11	1980	203	222	23.5			
Water Tank Trucks of Autotransportation Workshop	3	480	63	27	4103			
Other vehicles of Autotransportation field	7	1056	93.9	27	928.9			
Fire trucks	3			2				
Additional repairs of Transp.field				4				
Number of Trucks put back into service after a long term repair works								
Rented Heavy duty trucks						9/91	7/months	22/80
Logistic Report for Lifting Operations for June 2021								
01.06-30.06								
Months		Orders		Weight (kg)		Hours		
GENERAL		Total: 173		Total: 1837000		Total: 541		

g) Marine Sub-Divison.

Report for June 2021								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	15 days			883,664 kg	NO		TOTAL-50	TOTAL-9
MAGIC-1	21 days	347	356		NO			
XEZER-3	2 days			240.000 kg water	NO			
KESON	7 days				NO			
ORION-26	2 days				NO			
SHIRVAN	2 days			539.000 kg	NO			
YARENQA	1 day			102.588 liters diesel fuel	NO			

h) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2021

ACTIVE ENERGY	Kwatt						
LOCATION	January	February	March	April	May	June	TOTAL
GumDeniz - Field	710,000	640,000	653,000	651,500	527,000	410,000	3,591,500
Compressor station 14	73,000	66,000	69,000	68,600	70,000	80,000	426,600
Compressor station 1	342,000	297,000	317,000	319,500	349,000	300,000	1,924,500
Compressor station 2	540,000	478,000	484,000	488,200	539,000	500,000	3,029,200
Automotization Industrial Processes	6,800	6,200	6,200	6,000	5,000	5600	35,800
Electric workshop	7,100	6,400	6,500	6,500	5,800	6200	38,500
Oil Process	90,000	80,000	80,000	80,600	89,600	73000	493,200
5000 area	126,000	107,000	108,000	90,000	98,000	75000	604,000
Gas Process	6,769	6,033	6,533	6,435	3,148	3175	32,093
Workover	30,247	25,220	27,220	26,423	27,625	22412	159,147
Offices	40,036	34,061	34,064	34,064	35,266	29065	206,556
Transportation	36,078	32,486	35,456	34,456	35,658	23443	197,577
Laboratory	13,640	12,217	12,217	11,216	12,418	9212	70,920
Construction	39,680	35,250	35,250	35,252	36,454	30241	212,127
Water supply	148	116	196	197	59	67	783
TOTAL -kW	2,061,498	1,825,983	1,874,636	1,858,943	1,834,028	1,567,415	11,022,503
	0.076271187						
COST AZN total	157,233	139,270	142,981	141,784	139,883	119,549	840,699
REACTIVE ENERGY kVAR							
kVAR	927,459	735,329	895,218	998,319	1,126,012	1,171,496	5,853,833

i) Workover Division.

a) Highlights:

Bahar WO's

- BHR 196 – Continue fishing / backing off of stuck LH DP string at 3616.4m. Total fished / recovered from the well 326 joints of LH DP, 101 joints to be recovered. Works in progress.
- BHR 165 – Executed fishing operation by pulling over the string after each catch of TOF, made TOF at 3174m. RIH w/ 4-3/8" RC Overshot (dressed with 3-1/2" Spiral Grapple) BHA, fished at 3174.31m. Left in tension up to 14 tons. Performed Wireline Jet Cutting operation 3404m. Pulling with cut string. Works in progress.

Gum Deniz WO's.

- GD 601 – Pulled production string out. Perforated at 3132.5 – 3134m, 3146.5 – 3148m, 3152.5 – 3154m, 3155.5 – 3158m intervals with 73mm Casing Guns. Without isolation new made lower perforation at 3165 – 3168m, 3170 – 3172m. RIH w/GLV Production string, landed at 1300m. Well was put back on production.
- GD 465 – Based on recompletion plan, Pulled out w/ESP Assy. MU and RIH w/122mm OD Taper Mill BHA down to 3370m. BP set at 3360m. Made PBTD 3357.6m by dumping cement via Wireline in two runs. Perforated 3287 – 3289m , 3290 – 3293m, 3260 – 3261.5m , 3271 – 3272m intervals with 86mm OD Casing guns. RIH w/GLV production string, landed at 2003m. Well was put back on production.

- GD 716 – Based on optimization plan, ESP Assy. was landed at 2249.08m. Well was put back on production.
- GD 479 – Recompletion plan was successful, as , due to high water cut, decision been made to POOH w/Production string and move uphole to Hor X low. Pulled Production string out. Wireline BP set at 2540m, cement dumped on top, made PBTD at 2538m. Perforated at 2441 - 2442m, 2446 – 2449m, 2454 – 2456m intervals with 86mm Casing guns. GLV Production string landed at 1102.37m. Well was put back on production.
- GD 297 – Pulled production string out. Scraped casing down to 1930m. BP set at 1919m. Dumped cement in two runs and made PBTD at 1918.3m. Perforated through tubing at 1910 – 1915m intervals with 51mm OD tubing gun. Well was put back on production.

South Gum Deniz WO's.

- GD 413 – Due to production loss, pulled w/ESP Assy. Observed 6mm OD hole on tubing and cable damage, cable core was broken at 1678m. Inspected ESP Assy. functioned well. Cable replaced with new one, RIH w/Pulled ESP Assy. landed at 1728m. Well was put back on production.

b) Monthly / Annual Workover Statistics

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	4	1
February	8	3
March	10	4
April	12	4
May	10	5
June	8	5
Total	52	22

c) Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 196	Fishing / Recompletion	40-2-196-01-21	178M \$	238M \$	59M \$
BHR 165	Fishing / Recompletion	40-2-165-01-21	54M \$	308M \$	254M \$
GD 601	Recompletion	40-1-601-02-21	169M \$	231M \$	62M \$
GD 479	Recompletion	40-1-479-01-21	43M \$	34M \$	-9M \$
GD 465	Recompletion	40-1-465-02-21	41M \$	61M \$	20M \$

d) Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 716	ESP Installation	52M \$
GD 413	ESP replace	43.2M \$
GD 297	Recompletion	71M \$

/// – CONSTRUCTION: *Reported by Ali İskender Gurbanzade*

CONSTRUCTION PROGRESS REPORT FOR MAY 2021

CONSTRUCTION PROGRESS REPORT FOR June 2021

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz,Causeways	Repair and piling of 10" pipes in order to increase the durability of load-bearing girth rail between the 13th and 14th supports on the causeway between PLT160b & PLT232	in progress
2	Gum-Deniz,Causeways	Installation and connection of piles made of 10" pipes in front of PLT66, for the repair of bad parts of the ocauseway and the vehicle overpass. Completed hammering of 4 piles and connection of 400 mm double beams between the piles. Additionally, hammering of new piles on the east side of previously hammered piles.	in progress
3	Gum-Deniz,Causeways PLT9	Connection of 600mm i-beam with 10x10 panels installed on the causways' piles for 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, PLT2	Concerning WO of wells 297; 716; 504 at PLT2, skidding and installation of the UPT-50 pulling unit pedestal and the pipe racks.	in progress
5	Gum-Deniz, Causeway, PLT209	installation & painting of 6th & 7th steel panel 10x10 at PLT209.	in progress
6	Gum-Deniz, Fab.shop	Welding and setting up works in the Fab. shop on the cable spooler used during WO operations (POOH & RIH) at ESP wells of Gum-Deniz field."	completed
7	Gum-Deniz,Causeways	Continuing welding gas lines and elbows on 2.5" gaslift line layed from PLT9 to PLT450	in progress
Bahar field			
8	Bahar, GZU-2	Proceeding the installation of 12" gas flow line pipe supports along the existing bridge according to the project. Expansion of the existing comb separator area in the south-western part of the working area. Reinforcement of lines coming from wells in the southern part of the existing working site and installation of 6x13m service platform. Have started installation of pipe fittings and comb type separator fabricated in the workshop, on the pannels.	in progress
9	Bahar, PLT168	Reinforcing works at the bottom of the derrick supports, preparation of guideline anchors spots , and reinforcement works in the intermediate part of the existing panel with rotary piles in order to prepare well No. 165 for WO at PLT168 Bahar field.	in progress
10	Gum-Deniz, PLT65	Moving construction crew to PLT65 to carry out restoration and repairs as well to prepare wells 187, 189, 190 & 191 for WOs. Repairs of boatlanding on west side of working area.	in progress
11	Bahar, PLT20	Carrying out repair and restoration works in order to prepare the well 206 for WO located at PLT20 of "Bahar" field, Assembly of the 4th 10x10m panel in progress	in progress
12	Bahar, PLT 48	Repair & installation works as preparation of wells 145 & 146 at PLT48 Bahar field for WO ops.	in progress
13	Bahar, PLT-70/106	Mounting of 28m Derrick & 10x10 panels nstallation as preparation for WO of well#74 at PLT106/70 Bh.	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 commenced, continues.	in progress
2	Hammering of piles made of 10" pipes and welding works over the laying of gas transmission line of 10" pipes connected to the 35atm main where BEOCL natural gas is transported from Oil & Gas Production Dept. after 28 May to Gass export dept.	in progress
3	Construction of new oil trap for oil separation and construction of pump station at Oil Prep. & Transportation area, rooms walls and flooring covering with metal sheets. Installation works on PS on going.	in progress
4	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
5	Based on the project, BEOCL Representative Office in the Republic of Azerbaijan works on reconstruction of the separator system, to improve the quality of sales gas from Bahar field in GZU # 2. Carry on with 12" piles hammering over the prepared area.	in progress
6	Fabrication of pipeline supports for 35 atm gas line for natural gas delivery by BEOCL to OGP Dpt. after 28 of may. 52 supports were fabricated totally.	in progress
7	In order to re-commission and put back on production the well No. 005, that was suspended for a long time located on 470 in the island area, which has been out of operation for a long time, 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
8	Pulling submersible pumps out of pits, that serve for the injection system at PLT209 to clean it (2 units) and cleaning of submersible pumps that serves the technical water line at PLT450 GD.	in progress

IV – SUBSURFACE: *Reported by Ray Larijani*

Workover Programs prepared

- **GD-413** POOH ESP, inspect the condition of the pump, and run 1730 m 2 7/8" tubing with ESP.
- **GD-502** Check TD, fluid level (dynamic), bottom hole pressure through tubing with GGI. Further operations will be planned according to GGI log results.
- **GD-297** POOH tubing with gaslift valves. Clean down to 1930m. Set BP at 1920 m and 2 m cement plug with GGI. Perforate 1915-1910m at horizon VI.
- **GD-465** POOH tubing string with gaslift valves. Clean down to 3370m. Set BP at 3360m. Perforate 3293-3290m, 3289-3287m, 3272-3271m, 3261-3260m at horizon PK.

Wells completed

- **B-196 Fishing/Recompletion.** Ongoing. Expected free gas rate is 50 Mm³/d from B_VII f/u. Actual cost 178 M \$.
- **B-165 Fishing/Recompletion.** Continues. Expected free gas rate is 55 Mm³/d B_X f/u. Actual cost 54 M \$.
- **GD-601 Recompletion.** Perforated 3132.5-3134m, 3146.5-3148m, 3152.5-3154m, 3155.5-3158m at horizon PK. Well produces 134 m³/d water, no oil. Actual cost 169 M \$.
- **GD-479 Recompletion.** Perforated 2441-2442m, 2446-2449m, 2454-2456m at horizon X. Well produces 73 m³/d water, 38 m³/d oil, and 1Mm³/d solution gas. Actual cost 43 M \$.
- **GD-465 Recompletion.** Perforated 3287-3289m, 3290-3293m, 3260-3261.5m, 3271-3272m. Well is under monitoring. Actual cost 41 M \$.
- **GD-716 ESP installation.** Actual cost 52 M \$.
- **GD-413 ESP replace.** Actual cost 43.2 M \$.

- **GD-297 Recompletion.** Perforated 1910-1915m at horizon V. Not successful. Actual cost 71 M \$. Indication are that B_V/B_VI has low pressure residual formation gas.

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

Cased-hole logging:

Interpreted logs from GGI:

Geology

Preparation work for 465, 479, 297 & 601 new completions.

Reservoir Engineering

- GumDeniz South GumDeniz area simulation and WO candidates forecasting continues.
- Bahar horizon VII Simulation & WO Candidates Forecast.
- Bahar horizon VIII Simulation & WO Candidates Forecast.
- Bahar horizon V Simulation & WO Candidates Forecast.
- Bahar IX-X-FS run production forecasting based on simulation model.
- B-205 choke size optimization carried out with multi-rate well test analysis
- 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 the database.

June 2021 Planned and Fact Production Comparison			
	Plan	Fact	Difference
Oil and Condensate, tons	3159.355	2438.792	-23%
Free Gas, Mm3	24740.255	18181.830	-27%
Solution Gas, Mm3	2535.346	1711.727	-32%

Seismic

3D visualization and interpretation of the “Victory” Prospect continues.

Task Schedule

<u>Tasks started</u>	<u>Start date</u>	<u>Provisional completion date</u>	<u>Completion date</u>
GD Field			
GD South GumDeniz simulation model history matching.	15 June 2021	31 July 2021	
Bahar Field			
Bahar horizon VII Simulation & WO Candidates Forecast	15 September 2020	31 July 2021	
Bahar horizon VIII Simulation & WO Candidates Forecast	1 October 2020	31 July 2021	
Bahar horizon V Simulation & WO Candidates Forecast	20 March 2021	31 July 2021	
Completed			
Bahar FS-BX-BIX Simulation & WO Candidates Forecast	31 March 2020		30 June 2021

V - FINANCE: *Reported by Rasul Gafarov*

a) On a Monthly Base:

Completed May-21 accounting cycle in accordance with the monthly schedule.
According to JOA issued May-21 Monthly reports to Contractor Parties.
According to JOA and May-21 – Jun-21 Cash Calls distributed to Contractor Parties.

Issued May-21 Additional Monthly reports to Contractor Parties.
Issued and distributed May-21 Monthly departmental cost reports to Budget Holders / Department Managers.
Issued and submitted May-21 monthly reports to the government bodies, including but not limited to:

Prepared and submitted monthly May-21 Financial Highlights report to the Management.

VAT, payroll, social fund and statistical reports;

On an Annual Base:

Start preparation for 2020 Audit of below-shown reports and actions:

- BEOC Cost Recovery Report;
- BEL Profit Tax Return

VI – LEGAL PROCESS AND HUMAN RESOURCES: *Reported by Ahmadiyya Musayev*

Legal, Compliance, Document Control & Translation issues

- Internal order issued and Notice of Redundancy was served to Trade Union and State Employment Center;
- Multiple meetings were held with employees and Trade Union Chairman on lay off process;
- Structural change orders were drafted and executed;
- Inquiries received from various authorities regarding redundancy were addressed;
- Collective complaints by employees were further addressed;
- Various SOCAR inquiries for information were addressed;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- 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; JAFZA renewals and other activities were carried on;
- Document control function covering both internal and external correspondence, and maintenance of the archive was performed;
- Verbal and written translations support was ensured.

HR issues

- Termination orders were issued for those who resigned and material aids executed;
- Other activities within the redundancy process continued;
- Use of the outstanding vacations was monitored;
- Interviewing of 3 candidates for Electrical welder position carried out;
- Interviewing of 2 candidates for Subsurface department performed
- Interviewing of 2 candidates for Fitter position done;
- To be expired contracts were followed up and management was updated;
- Overall 350 HR related operations have been made through this month;
- Organizational structures have been updated as per last changes;
- 150 vacations and 25 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 the HRB system provider to discuss issues related to software.

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

- Administrative affairs

- Monthly schedules and timesheets for the Administrative department, as well as for their contractors have been prepared;
- MRs/SRs were prepared for takeoff of the goods entered into the warehouse of the office;

- Monthly reports on turnover goods and materials, low value goods and write off acts as well as low-value goods use acts were prepared;
- MRs were collected from all the structural units for stationery and the consolidated list was prepared;
- Inventory check of Administrative Affairs Department together with gardeners of Service Division finished.

- **Office maintenance**
 - Need for repairs of the roof of the administrative building was raised and activities started, also the air conditioning equipment on the roof was dismantled and lowered;
 - Water taps and sewage pipes were repaired in administrative buildings and other workshops in the Gum island area;
 - Relevant MRs from the office was submitted to the procurement Department for subsequent purchase;
 - 14 ea. air conditioners, 4 ea. refrigerators, 14 ea. dispensers were repaired.
 - Necessary support was provided during repairs and office re-allocations.

- **Water supply & Gardening**
 - A Necessary amount of water was supplied to the facilities at Island and other locations;
 - Areas were cleaned from grass;
 - New plants were planted and current plants were taken care of.

- **Security& Civil Defense activities**
 - 248 persons and 190 vehicles entered into Representative Office areas based on 182 requests for a one-time entrance permissions;
 - Actual presence at the vessel was checked for 613 employees who left for Bahar (working per shift) during the reporting month and the records were maintained in the logbook accordingly;
 - On 01,08,16,23,24 June 2021 deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue-diver personnel;
 - On 08.06.2021, the specialists of the Department took part in the control of the transfer of 102588 liters of diesel fuel to "Bahar" area;
 - In 09.06.2021 the specialist of the Department participated in the process of handing over of 223 pipes to "Gulf Drilling Supply" company from Hovsan port;
 - 2 letters have been sent to Maarif Ahmedov, the chief of "Tornado-S" LTD (Security company), to get the permission certificates for 31 employees and 9 special vehicles to be able to enter the Representative Office areas, pursuant to provisions of the security services contract;
 - T-cards control was carried out per the established procedure;
 - Civil defense-related activities continued per the approved plan.

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

Procurement Division

- 66 MRs & SRs Received;
- 102 POs and SOs prepared in SUN System;
- 5 MRs canceled/oh hold;
- 2 MRs & SRs passed to Contract/Tender;
- 56 MRs & SRs under sourcing stage.

Tenders under RCA approval – 1

- BEOCL 10175 – Purchasing of 120 t Stationary Pulling Drawwork;

Tendered Contracts under process – 1

- BEOCL 10174 - Provision of 2 set VS 28 x 100 WO Derrick;

Recommendation to prolongation & increase value of contracts – 1

- BEOCL/10167/19 Preparation & Supplying of Embarkation & Boat Landing platforms – ADO-G

Number of Active Contracts

- OPS/WO/LOG – 97 (incl. 15 transportation services and 19 services contracts for empl.);
- Construction - 23;
- HSE – 11 (including 1 service contract for empl.);
- G&G – 10 (incl. 2 consultancy contracts & 1 contracts for payment purpose only);
- ADMIN – 19 (incl. 3 service contracts for empl.);
- HR – 5;
- ITC – 12;
- Legal – 16;
- PM – 17 (incl. 1 contracts for payment purpose only);
- Finance – 3;

Materials Division:

- **484,704.00 kg** handled without incident;
- WHS received **69 PO's, 315 line items** for the amount of **AZN 292,177.01**;
- WHS issued **365** line items for the amount of **AZN 638,798.04**;
- **81** NCR's raised; **25** NCR's was closed;
- Fuel station received **136,784.00** Liter of Diesel;
- Fuel station issued **116,885.00** Liters of Diesel;
- Fuel balance at June 1, 2021, is **36,037.00** Liters;

IX – IT: Reported by Eldar Eyyubov

- No disruption in ICT department within June
- 98 helpdesk requests were processed
- All new employees were provided with access cards
- Some equipment of CCTV system was tested

- Greenfields petroleum website issue was solved
- Two new Laptops were received and handled
- The printer problem in MMTIX office was fixed
- The new printer for Operations manager was installed
- The equipment of resigned personal was checked
- Installed were equipment of relocated employees
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

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