

**BAHAR ENERGY OPERATING COMPANY**  
**MONTHLY REPORT**

**August 2021**

Contents

|   |    |
|---|----|
| EXECUTIVE SUMMARY: .....                      | 2  |
| I - HEALTH, SAFETY & ENVIRONMENT: .....       | 3  |
| II - PRODUCTION / OPERATIONS: .....           | 5  |
| III – CONSTRUCTION: .....                     | 14 |
| IV – SUBSURFACE: .....                        | 15 |
| V - FINANCE: .....                            | 17 |
| VI – LEGAL PROCESS AND HUMAN RESOURCES: ..... | 18 |
| VII– ADMINISTRATION & SECURITY: .....         | 19 |
| VIII – PROCUREMENT & MATERIALS: .....         | 19 |
| IX – IT: .....                                | 20 |

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

A summary of activities during August 2021 is below:

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

In August, there were no TRIR's and no other incidents. BEOC's TRIR is 0.22 as of the end of August. 55 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 565 employees received their 1st dose and 388 employees received their 2nd dose vaccine by the end of August.

### **b) Production:**

- Oil production was 468 Bopd, down 239 Bopd from July 2021, due to reinstalling ESP's in South GD and the recompletion of the GD372 & GD479 well.

- Gas production was 18.5 MMcfd, which was down 0.7 MMcfd slightly from July production due to natural field decline.

- 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 pressures, which required additional compression fuel.

- Total production of 3,802 BOE/d in August was 13 percent below the Budget forecast for the month.

### **c) Workovers:**

- In Gum Deniz, workovers in the GD716 & 465 continue with the GD430, GD372, and GD 479 wells completed and returned to oil production.

- In Bahar, well BH 196 and 165 continued fishing and recompletion activities. Good progress continues in the milling and fishing operations.

### **d) Construction:**

- Offshore construction operations continued on GZU 2, PLT 65, and PLT 20 in the Bahar field.

Continued laying 10" gas transmission pipeline connected to the 35 atm main line where BEOCL natural gas is transported from SOCAR Oil & Gas Production Dept. after 28 May to Gas export dept. Work continues with SOCAR Construction Trust to install the production line between the South Gum Deniz platforms 409 and 412 in November 2020.

### **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 has been completed and it will be reviewed with SOCAR Upstream before formal submission to the Steering Committee for approval.

### **f) General Management**

- Preparations for the 2022 WP&B continue, and a CMC meeting will be scheduled for October 1, 2021, to review the Amended Development Programme and the Proposed 2022 WP&B.

BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure a safe workplace for all our employees and contractors.

## **I - HEALTH, SAFETY & ENVIRONMENT:** *Reported by Nuslet Safarov*

*Head of HSE Division*

### **a) Summary: HSE:**

- No any incident was recorded in August.
- TRIR is 0.22 by the end of August.

### **b) Monthly Safety statistics for August 2021**

| Month        | LTI      | Man Hours     | TRIR        | Incidents<br>(FA,LTI,NM,<br>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         |
| July         | 0        | 108323        | 0           | 0                                  | 50         |
| August       | 0        | 102113        | 0           | 0                                  | 55         |
| <b>Total</b> | <b>0</b> | <b>919241</b> | <b>0.22</b> | <b>1</b>                           | <b>419</b> |

#### **Legend:**

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

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

### **d) HSE Activity**

#### **- HEALTH:**

- Information about COVID-19 vaccination of BEOCL employees was registered and daily monitoring was carried out by HSE department. 565 employees got 1<sup>st</sup> dose and 388 employees got their 2<sup>nd</sup> dose vaccine by the end of August.
- HSE department has been taking preventive disinfecting actions at the BEOC work places 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.
- HSE department performed disinfecting the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer are regularly controlled and fulfilled 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.

**- SAFETY:**

- Planned inspection of the BEOCL operation sites conducted by the specialists of State Fire Control Service of the Ministry of Emergency Situations.
- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 14 newcomers/ visitors.
- In accordance with Local regulations the Health and Safety knowledge evaluation of 1 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 inspections were 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        |
| July         | 0             | 0            | 0        |
| August       | 0             | 0            | 0        |
| <b>Total</b> | <b>0</b>      | <b>0</b>     | <b>0</b> |

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

**e) Training and other activities:**

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

“Safe welding and grinding operations” for 13 employees

“Working at height” for 14 employees

“Safe and correct usage of PPE and CPE” for 13 employees

Total participants were 40 workers.

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

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

| OIL and GAS Production 2021 Budget and Actual |   |                         |                                       |                               |                    |                               |  |                              |                               |                    |                     |                      |                  |                              |                               |                    |                  |                  |
|---|---|-------------------------|---------------------------------------|-------------------------------|--------------------|-------------------------------|--|------------------------------|-------------------------------|--------------------|---------------------|----------------------|------------------|------------------------------|-------------------------------|--------------------|------------------|------------------|
| Aug-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  | 95  | 7.44                    | 707                                   | 91                            | 680                | 72                            | 534                                      | 599,410                      | 21,168,164                    | 3,808              | 545,596             | 19,267,723           | 3,466            | 578,000                      | 20,412,070                    | 3,672              | 4,173            | 4,205            |
| August  | 63  | 7.43                    | 468                                   | 61                            | 454                | 75                            | 556                                      | 578,268                      | 20,421,534                    | 3,674              | 524,872             | 18,535,855           | 3,334            | 597,000                      | 21,083,055                    | 3,793              | 3,802            | 4,349            |
| September                                     |   |                         |                                       |                               |                    |                               |  |                              |                               |                    |                     |                      |                  |                              |                               |                    |                  |                  |
| Q3 Average                                    |   |                         |                                       |                               |                    |                               |  |                              |                               |                    |                     |                      |                  |                              |                               |                    |                  |                  |
| October                                       |   |                         |                                       |                               |                    |                               |  |                              |                               |                    |                     |                      |                  |                              |                               |                    |                  |                  |
| November                                      |   |                         |                                       |                               |                    |                               |  |                              |                               |                    |                     |                      |                  |                              |                               |                    |                  |                  |
| December                                      |   |                         |                                       |                               |                    |                               |  |                              |                               |                    |                     |                      |                  |                              |                               |                    |                  |                  |
| Q4 Average                                    |   |                         |                                       |                               |                    |                               |  |                              |                               |                    |                     |                      |                  |                              |                               |                    |                  |                  |

### b) Production – Gum Deniz

- Production rate of the Gum Deniz field averaged 61 tons/day. Təhvil 63 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 2 790 000 m3 (90 000 x 31).

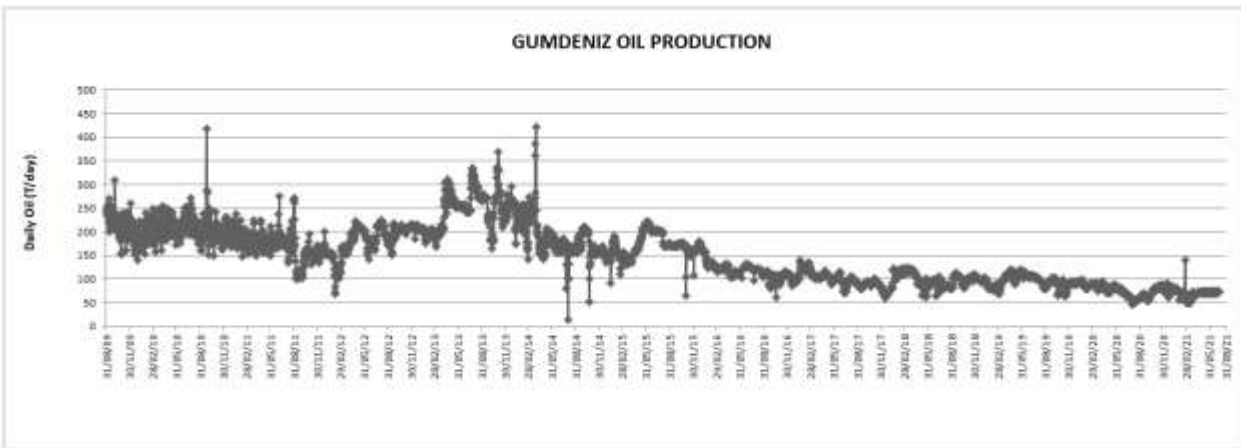
The chart below shows the reasons for oil production decrease

| Oil Production Rate Differences Between July and August 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 |
| July 2021  | 1.1 | 2.2 | 0.7 | 0.0 | 4.0 | 14.0 | 0.0 | 1.5 | 10.9 | 0.0 | 1.6 | 1.4 | 0.0 | 0.0 | 0.9 | 3.0 | 1.8 | 0.0 | 0.0 | 1.0 | 0.8 | 2.1 | 2.2 | 3.6 | 6.1 | 3.6 | 5.2   | 32.3 | 1.7 | 0.0 | 6.5 | 1.7 | 0.6 | 110.3     |
| August 2021  | 1.0 | 2.2 | 0.7 | 0.0 | 3.5 | 3.7  | 0.2 | 2.6 | 9.2  | 0.0 | 3.8 | 2.5 | 0.0 | 0.0 | 0.7 | 2.9 | 1.9 | 0.0 | 0.0 | 0.7 | 0.7 | 2.0 | 2.3 | 3.1 | 6.0 | 3.5 | 3.6   | 9.4  | 1.6 | 0.0 | 6.1 | 0.8 | 0.6 | 75.2      |
| Difference   |     |     |     |     |     |      |     |     |      |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | -35.0 |      |     |     |     |     |     |           |

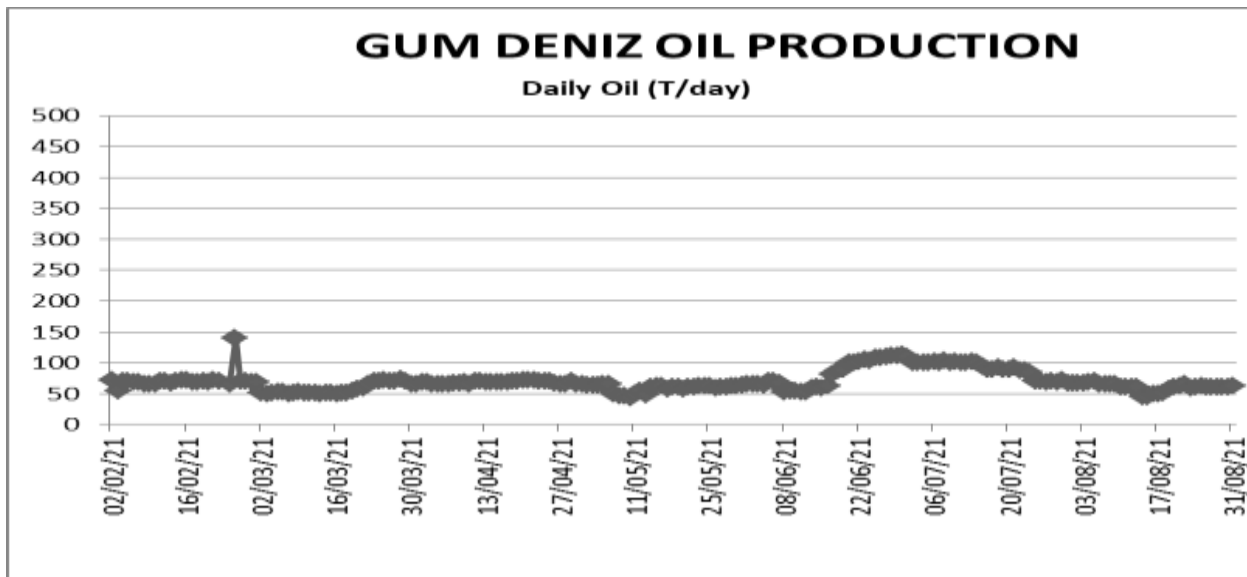
- Due to production decrease in GD-716 it went through WO, and produced by SLB ESP, but ESP failed in the short period of time therefore well went back to service, well services continues.
- Due to SLB ESP fail in GD-465, well went under servicing, service continues.
- WOs in GD-430 were completed, SLB ESP rih, well was produced.

- SLB ESP failed in GD-372 therefore well went under WO, after WO was done SLB's new ESP rih and well was produced.
- Due to no production out of GD-502 it went under WOs, after WOs done well was produced by GLV method.
- Due to production decrease in GD-479, it went under WOs, after WOs done well was produced by GLV method.
- Due to no production out of GD-601 it went under WOs, after WOs done well was produced by GLV method.
- Due to SLB ESP fail in GD-413, well went under servicing, service continues.

**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 524 872 m3/day
- Gas delivery was 18.536 MMcfd.

The chart below shows the reasons for gas delivery decrease.

| Gas Production Rate Differences Between July and August 2021 |    |     |     |     |     |     |     |     |     |     |     |     |                    |
|--|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------------|
| Date / Well#   | 83 | 140 | 144 | 167 | 169 | 170 | 171 | 175 | 179 | 182 | 205 | 241 | Total,<br>x1000 m3 |
| July 2021  | 34 | 44  | 40  | 35  | 80  | 112 | 36  | 76  | 75  | 1   | 18  | 43  | 594.0              |
| August 2021  | 33 | 42  | 37  | 32  | 74  | 111 | 35  | 76  | 75  | 1   | 16  | 42  | 574.0              |
| Difference   |    |     |     |     |     |     |     |     |     |     |     |     | -20.0              |

- WOs continue well 196 at PLT196 of Bahar field
- WOs continue in well 165 at PLT168 of Bahar field.
- WOs commenced and continued in well 206 at PLT20 of Bahar field.
- Construction crews continue repairs on PLT48 & PLT65 at OGSU.2 of Bahar field.

**“Atlet-2”, “Şirvan-2” & “Atlet-8” crane vessels have carried out following works during reporting period:**

**“Uluçay” crane vessel was under repair.**

**Following works carried out by "Atlet-2" crane vessel:**

1. On 01.08.2021. unloaded 1 PS & 1 1m<sup>3</sup> plastic tank full of fuel over to Bahar PLT196 and loaded on board from the same PLT 1 set of power tongs, 200 tonner mechanical tubing slips. Unloaded wellhead equipment belongs to 2nd Production field, 1 set of power tongs of WO division, 1 item of 200 toner mechanical tubing slips, 2 pcs. of hanger flange/dog nut, 1 spool, 6 full oxygen cylinders of Constr. Div. 20 pcs. of floor mats, 10 pcs. of 16mm steel beams, 5 pcs. of steel channels, 10 pcs. of 65mm angles, 2 pcs. of 8” pipes, scaffolding stuff, 8 pcs. of 60mm steel beams, 16 pcs. of 40mm steel beams, 9 pcs. of 90mm, 10 pcs. of 16mm angles, "ETEAKTS" diesel gen sets over to PLT20 and loaded on-board 13 empty oxygen cylinders, 2 empty liquid-gas cylinders.
2. Loaded on board from Gum-Deniz PLT409; 3 WO living shacks, 1 canteen shack, 1 WC shack, misc. WO eqpt. 1 full 1m<sup>3</sup> plastic tank, 1 hanger, 1 pipe 6” and unloaded over to the same PLT; 2 pcs. of A-50 Rig engine support beams. Unloaded over to the PLT20; 4 living shacks of WO, 1 WC shack, misc. eqpt. and assisted in relocation of 1 living shack. Loaded on-board 159 jts. of 2.5” drill pipe from PLT196, and 370 jts. of 2.5” tbg. from Gum-Deniz PLT412.
3. On 02.08.2021. Unloaded over to Gum-Deniz PLT450; 13 pcs. of empty oxygen cylinders, 2 empty liquid-gas cylinders, 5 ea of empty 1m<sup>3</sup> plastic tanks, 1 compressor switch, 83 jts. of 2,5” drill pipe. Loaded on-board from PLT450; 151 jts. of 2,5” drill pipe, 2 plastic 1m<sup>3</sup> tanks full of fuel. Loaded on-board from PLT009; 15 cans of fuel 20L each (for 60 ton mobile crane 90-K-924), 2 cans of oil, 4 plastic 1m<sup>3</sup> tanks full of fuel, 3 plastic 1m<sup>3</sup> tanks full of methanol, misc WO eqpt. Pump truck 10-AL-844, Pulling unit 10-T-858. Unloaded over to PLT412; Pulling unit 10-T-858, 1 plastic 1m<sup>3</sup> tank full of fuel and loaded on board; QBQ-120 BE-3190, took part in relocation of H-028390 pump truck. Loaded on-board from PLT409; 1 diesel power station of "ETEAKTS".

4. On 03.08.2021, unloaded over to Bahar PLT20; 1 plastic tank 1m<sup>3</sup> full of fuel, 1 pulling unit, 227 jts. of 2,5" drill pipe, 370 jts. of 2,5" tubing, 1 generator, 1 pump truck 10-AL-844 and misc eqpt. Loaded on-board from PLT20; 8 pcs. of 600mm steel beam, 12 pcs. of 400mm steel beam, 4 pcs. of 300mm steel beam, 10pcs. of 90mm angles, 10 pcs. steel channel, "Rakurs" company's equipment. Loaded on-board from PLT136; 2 generators, 15m<sup>3</sup> of fuel within 20m<sup>3</sup> steel tank, misc.eqpt. and unloaded it over to PLT20. Unloaded over to PLT168; 3 plastic tanks 1m<sup>3</sup> each full of methanol, 3 plastic tanks 1m<sup>3</sup> each full of fuel. Loaded on-board from PLT168; 1 barrel of oil 200l. Unloaded over to PLT48; "Rakurs" company eqpt. Unloaded over to PLT70/106; 2 diesel generators and loaded on-board from the same PLT; 2 diesel generators and eqpt. Unloaded over to PLT65; 2 diesel generators & eqpt. 8 pcs. of 600mm steel beams, 12 pcs. of 400mm steel beams, 4pcs.300mm steel beams, 10 pcs. 90mm angles, 10 pcs. of steel channels, 1 barrel 200l of oil, 2 plastic 1m<sup>3</sup> tanks full of fuel, 8 full oxygen cylinders, 1 WO drill line spool.

**Following works carried out by "Şirvan-2" crane vessel:**

1. On 07.08.2021 loaded on-board from Gum-Deniz PLT209; 2 pcs. of 10x10 panels, 33 full oxygen cylinders, 2 full cylinders of liquid-gas. Unloaded over to Bahar PLT20; 1 panel 10x10, 10 full cylinders with oxygen, and loaded on-board 4 empty oxygen cylinders. Unloaded over to PLT65; 1 panel 10x10, 23 full oxygen cylinders, 2 full liquid-gas cylinders, and loaded on-board 31 empty oxygen cylinders, 4empty liquid-gas cylinders. Assisted in relocation of 3 living shacks, 1 shower shack, 1 water tank 20m<sup>3</sup>, 1 toolbox, 2 panels 10x10 at PLT65. Loaded on-board from PLT168; Pump truck 90-AG-121, 1 set of power tongs, 147 jts. of 4" tbg. , 244 jts of 2,5" tbg. , 87 jts. of 1,5" tbg. Unloaded over to Hovsan port; Pump truck 90-AG-121, 1 set of power tongs, 147 jts. of 4" tbg. , 244 jts of 2,5" tbg. , 87 jts. of 1,5" tbg., 36 empty oxygen cylinders, 4 empty liquid-gas cyninders.

**Following works carried out by "Atlet-8" crane vessel:**

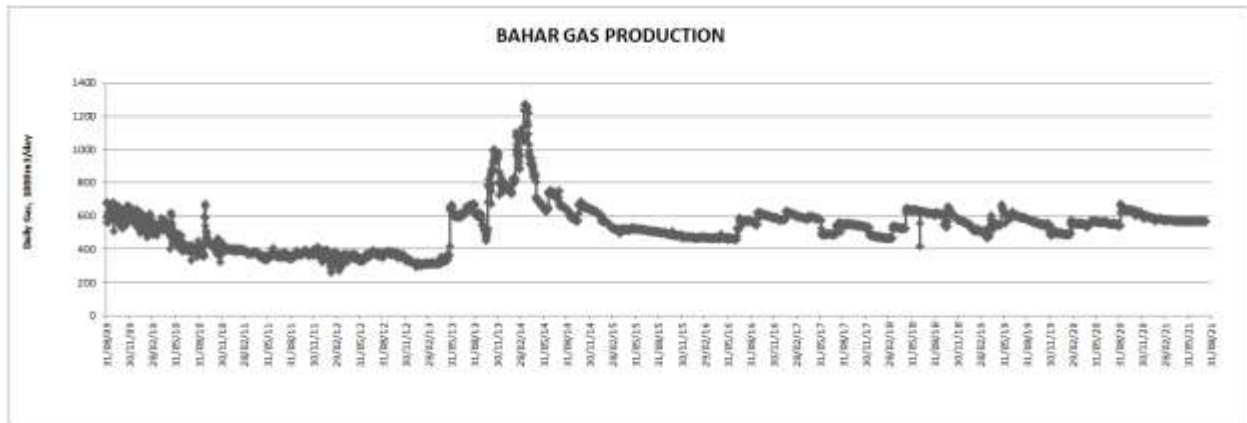
On 13.08.2021. Loaded on-board 1 tracktor from PLT450and haul it over to PLT009..

**Following works carried out by "Şirvan-2" crane vessel:**

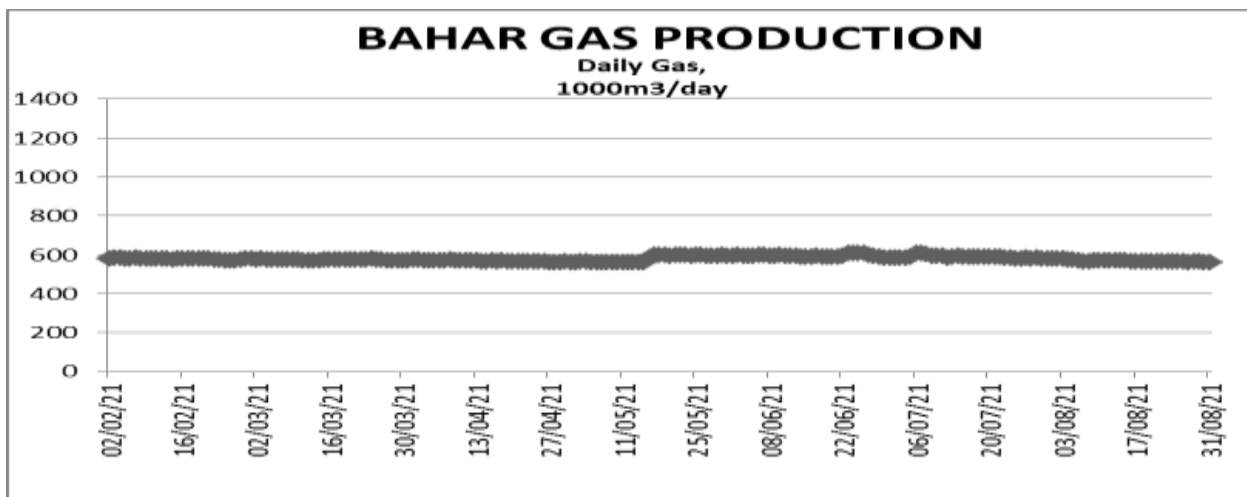
1. On 19.08.2021 Rellocated 2 generators from upper level pedestal down to the lower one at PLT208 of Gum-Deniz field. Loaded on-board from PLT209; Pump truck 10-AC-247, 18 full oxygen cylinders, 3 full cylinders of liquid-gas, 9 psc. of angles, 9 plastic 1m<sup>3</sup> tanks full of fuel. Loaded on-board from PLT412; 25 tonner mobile crane 99-VX-490, and related 1m<sup>3</sup> plastic fuel tank with 800l fuel in it. Unloaded over to PLT409; Pump truck 10-AC-247, and loaded on-board different pump truck H-028389. Rellocated 1 empty 20m<sup>3</sup> fuel tank at PLT409. Unloaded over to PLT196; 25 tonner mobile crane 99-VX-490 and related 1m<sup>3</sup> plastic fuel tank with 800l fuel in it, 2 plastic 1m<sup>3</sup> tanks full of fuel. Loaded on-board from PLT196; PS and related set of hoses. Unloaded over to PLT20; pump truck H-028389, 1 plastic 1m<sup>3</sup> tank with 700l of fuel in it, 1 plastic 1m<sup>3</sup> tank full of fuel, PS and and related set of hoses. Loaded on-board from PLT20 Pump truck 10-AL-844. Unloaded over to PLT168; Pump truck 10-AL-844, 5 plastic 1m<sup>3</sup> tanks full of fuel, 9 pcs. of angles, 18 full oxygen cylinders, 3 full liquid-gas cylinders. Took on-board Abishov Khalid & Huseynov Sabir working as a mechanics from PLT 168 and took them over to PLT65.



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 Division”.
- Relocation of gas / fluid measuring junction continues at 470 that belongs 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 be proceeded.
- Several leaks occurred on 6 ”subsea production lines between PLT 409 and 412 and 8” subsea production lines between PLT409-PLT208 and were eliminated by diving crews.
- Connection of 10” line was done in the area of Oil & Gas Production Dept. after 28 May , 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

| <b>August 2021</b>                  |                             |
|-------------------------------------|-----------------------------|
| <b>Name of the operation</b>        | <b>Completed Operations</b> |
| Hot Light Oil Operation in wells    | 10(6 wells)                 |
| Fluid level survey                  | 66(16 wells)                |
| Sulfanol treatment in wells         | 6 (2 well)                  |
| Salinity measurement in wells       | 94 (37 wells)               |
| Soap stick application in gas wells | -                           |

i) **Auto-Transportation Sub-Division.**

| <b>Report for August 2021</b>   |        |            |            |              |           |                             |                            |                          |
|---|--------|------------|------------|--------------|-----------|-----------------------------|----------------------------|--------------------------|
| 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   | 175    |            |            |              |           |                             |                            |                          |
| Pulling Units serving for WO  | 9      | 1291.5     | 1291.5     | 131          |           |                             |                            |                          |
| Stationary Type Pump (V-12)   | 1      | 164        | 164        | 5            |           |                             |                            |                          |
| Stationary Type Pump (V-16)   | 1      | 43         | 43         | 35           |           |                             |                            |                          |
| Drawwork (QBQ-120)  | 2      | 739.5      | 739.5      | 31           |           |                             |                            |                          |
| Mobile Boiler Truck (Consisting of two parts)                         | 1      | 5.5        | 5.5        | 3            |           |                             |                            |                          |
| Cement Trucks serving all BEOC Departments                            | 11     | 2052       | 343.5      | 81           | 12        |                             |                            |                          |
| Water Tank Trucks of Autotransportation Workshop                      | 3      | 448        | 58         | 46           | 3657      |                             |                            |                          |
| Other vehicles of Autotransportation field                            | 7      | 1096       | 120.8      | 13           | 877.3     |                             |                            |                          |
| Fire trucks   | 3      |            |            | 4            |           |                             |                            |                          |
| Additional repairs of Transp.field                                    | 2      |            |            | 6            |           |                             |                            |                          |
| Number of Trucks put back into service after a long term repair works |        |            |            |              |           |                             |                            |                          |
| Rented Heavy duty trucks  |        |            |            |              |           | 17/236,5                    | 8/months                   | 10/47                    |

| <b>Logistic Report for Lifting Operations for August 2021</b> |                   |                       |                   |
|---|-------------------|-----------------------|-------------------|
| <b>01.08-31.08</b>  |                   |                       |                   |
| Months  | Orders            | Weight (kg)           | Hours             |
| GENERAL   | <u>Total: 175</u> | <u>Total: 2635000</u> | <u>Total: 771</u> |

j) **Marine Sub-Divison.**

| Report for August 2021 |         |              |         |                          |          |         |          |              |
|------------------------|---------|--------------|---------|--------------------------|----------|---------|----------|--------------|
|                        | DAYS    | PASSENGER NO |         | TONNAGE                  | INCIDENT | REPAIR  | SAILING  | CANCELLATION |
|                        |         | OUTBOUND     | INBOUND |                          |          |         |          |              |
| ULLUCHAY               |         |              |         |                          |          | 31 days | TOTAL-38 | TOTAL-4      |
| MAGIC-1                | 26 days | 373          | 362     |                          | NO       |         |          |              |
| LUTOQA                 | 1 day   |              |         | 102,588 litr diesel fuel | NO       |         |          |              |
| KESSON                 | 1 day   |              |         |                          | NO       |         |          |              |
| ZERDAB-3               | 1 day   |              |         |                          | NO       |         |          |              |
| SHIRVAN                | 2 days  |              |         | 533,150 kg               | NO       |         |          |              |
| SLV-370                | 4 days  |              |         | 242,000 kg water         | NO       |         |          |              |
| ATLET-2                | 3 days  |              |         | 486,594 kg               | NO       |         |          |              |

**k) Power usage and charges chart:**

**POWER/ELECTRICITY COST by MONTHS - 2021**

| ACTIVE ENERGY                       | Kwatt            |                  |                  |                  |                  |                  |                  |                  |                   |           |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-----------|
| LOCATION                            | January          | February         | March            | April            | May              | June             | July             | August           | TOTAL             |           |
| GumDeniz - Field                    | 710,000          | 640,000          | 653,000          | 651,500          | 527,000          | 410,000          | 430,000          | 300,000          | 4,321,500         |           |
| Compressor station 14               | 73,000           | 66,000           | 69,000           | 68,600           | 70,000           | 80,000           | 970,000          | 855,000          | 2,251,600         |           |
| Compressor station 1                | 342,000          | 297,000          | 317,000          | 319,500          | 349,000          | 300,000          | 384,000          | 375,000          | 2,683,500         |           |
| Compressor station 2                | 540,000          | 478,000          | 484,000          | 488,200          | 539,000          | 500,000          | 662,000          | 700,000          | 4,391,200         |           |
| Automotization Industrial Processes | 6,800            | 6,200            | 6,200            | 6,000            | 5,000            | 5600             | 6,000            | 6,300            | 48,100            |           |
| Electric workshop                   | 7,100            | 6,400            | 6,500            | 6,500            | 5,800            | 6200             | 6,700            | 7,000            | 52,200            |           |
| Oil Process                         | 90,000           | 80,000           | 80,000           | 80,600           | 89,600           | 73000            | 78,000           | 65,000           | 636,200           |           |
| 5000 area                           | 126,000          | 107,000          | 108,000          | 90,000           | 98,000           | 75000            | 63,000           | 55,000           | 722,000           |           |
| Gas Process                         | 6,769            | 6,033            | 6,533            | 6,435            | 3,148            | 3175             | 3,791            | 4,055            | 39,939            |           |
| Workover                            | 30,247           | 25,220           | 27,220           | 26,423           | 27,625           | 22412            | 20,600           | 20,400           | 200,147           |           |
| Offices                             | 40,036           | 34,061           | 34,064           | 34,064           | 35,266           | 29065            | 27,253           | 27,042           | 260,851           |           |
| Transportation                      | 36,078           | 32,486           | 35,456           | 34,456           | 35,658           | 23443            | 21,631           | 21,423           | 240,631           |           |
| Laboratory                          | 13,640           | 12,217           | 12,217           | 11,216           | 12,418           | 9212             | 9,100            | 8,900            | 88,920            |           |
| Construction                        | 39,680           | 35,250           | 35,250           | 35,252           | 36,454           | 30241            | 28,430           | 28,220           | 268,777           |           |
| Water supply                        | 148              | 116              | 196              | 197              | 59               | 67               | 79               | 68               | 930               |           |
| <b>TOTAL -kW</b>                    | <b>2,061,498</b> | <b>1,825,983</b> | <b>1,874,636</b> | <b>1,858,943</b> | <b>1,834,028</b> | <b>1,567,415</b> | <b>2,710,584</b> | <b>2,473,408</b> | <b>16,206,495</b> |           |
|                                     | 0.076271187      |                  |                  |                  |                  |                  |                  |                  |                   |           |
| <b>COST AZN total</b>               | <b>157,233</b>   | <b>139,270</b>   | <b>142,981</b>   | <b>141,784</b>   | <b>139,883</b>   | <b>119,549</b>   | <b>206,739</b>   | <b>188,650</b>   | <b>1,236,089</b>  |           |
| <b>REACTIVE ENERGY kVAR</b>         |                  |                  |                  |                  |                  |                  |                  |                  |                   |           |
|                                     | kVAR             | 927,459          | 735,329          | 895,218          | 998,319          | 1,126,012        | 1,171,496        | 1,895,056        | 1,749,188         | 9,498,077 |

**l) Workover Division.**

**Bahar WO's**

- BHR 196 – Fished out DP tool joint and had TOF as DP 2-7/8" body for Jarring. Have RIH w/111mm OD Overshot dressed with 2-7/8" basket grapple, fishing JAR BHA, latched, and engaged to TOF at 3391.55m. Jarred up to 259 times, but couldn't move the fish. Will release Overshot BHA and POOH. Will back to backing off operation. Total fished / recovered from the well 397 joints of LH DP, 27 joints to be recovered. Secured the well. WO crew sailed to PL412 for G413m. Note: B196 next step work is to release the Overshot from TOF via Power Swivel. W / O

Power Swivel delivery. Power Swivel being used at B165 and B206. 3rd one board of the Ulluchay crane vessel.

- BHR 165 – Despite all attempts couldn't mill the TOF and penetrate lower than 3769.21m. Back-up torque made rotation stop at the TOF, pull drag occurred when string was picked up, assuming due to junks / tubing strip out of perforation interval at 3763 – 3767m, made inside of the stuck tubing string in 1995. Decided to POOH and inspect TOF via Down Hole Wireline Camera, Arranged and inspect TOF via Down Hole Wireline Camera. Inspection showed destructed tubing body by perforation at 1995m through tubing. Also, parted pieces of perforation gun on top of fish can be seen. Pulled the string out. MU and RIH w/117mm OD Baker dressed Metal Muncher Mill BHA, tagged the TOF at 3769.21m. Started milling ops. with high back up torques. Spudded the mill periodically on TOF to get tubing strips pounded down for positioning under mill. Increased adjusted torque to 4000lbs/ft RPM to 135, managed and made 2.2m progress. Had stuck at this depth (metal junks created), released the tool at 12 ton over pull. Drill line got damaged. Replaced drill line with new one. Stopped milling operation due to pump lubricant pressure drop. Pressure drop occurred due to V-12 pump engine lubricant filters, used over hours because of unavailability. Procurement team involved for urgent supply.

- BHR 206 – IH w/114mm OD Crushed Carbide dressed Baker Mill. Milled the TOF down to 3552.97m, no more penetration could be obtained due to junks on top of the fish. Decided to POOH and RIH w/Open end string to circulate out all debris on TOF. Ongoing...

- BHR 074 – Getting ready w/WO equipment to start the Fishing / Re-completion.

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

- GD 479 – Due to ESP fail pulled and LD w/ESP Assy. 3 jts. of tubing above the check were full of sand. MU and RIH back w/Sand Bailer BHA, slightly tagged at 2463m - sand bridge, went down free (no bailing) and hard tagged at 2485m, bailed sand down to 2540m (BP). Pulled w/Sand Bailer BHA, 29 jts. were full of sand. MU and RIH w/GLV Production string, landed at 2000m. POP.

- GD 502 – Resumed well bore cleaning. Cleaning the sand out at 2091m. Note: Lost circulation at 2064m, 2077m and 2091m. By continuous pumping have recovered poor circulation on each interval. Due to high fluid loss into formations, the decision has been made to stop cleaning ops. Pulled out w/string. RIH w/GLV PS landed at 1999m. POP. Monitoring well production.

- GD 716 – Rig skid over the well from G502. RU of the Rig and WO equipment. Pulled out and LD w/ESP Assy. Observed second pump was out of function. MU and RIH w/Open end Reentry guide 47m. Suspended due to windy weather. Secured the well.

- GD 465 – Due to ESP fail. Rig moved and RU. Pulled out and LD w/ESP Assy. Reason for ESP fail was motor burnt out. Secured the well. Suspended works until another motor was available, crew moved over to the G058 well.

- GD 372 – Pulled w/ESP Assy. Note: ESP injection line became useless due to numerous cracks and bindings. Salt cover on tubing between 72nd – 110th joint, in below there were almost no salt. Tubing ID is clear and equal to the drift ID. Pump and motor are functioning well. MU and RIH w/New ESP Assy. Landed at 2137m. POP.

- GD 601 – Moved the rig from G465, RU the Rig and WO equipment. Pulled w/GLV PS. RU SGGI WU. TD confirmed at 3098m. Set BP at 3095m, dump cement on top and make TOC at 3093m. Perforated at 2976-2978m, 2985-2986m, 3038-3040m intervals w/73mm Casing Gun. All shots were fired. RIH w/GLV Production string 2300m. POP.

- GD 058 – Completed POOH and LD w/ Tubing string - 123 jts. of 2-7/8" NUE PIPE + Reentry guide. Secured the well. Will continue with re-construction jobs at the wellsite to prepare the well for workover jobs. Works in progress.

**South Gum Deniz WO's.**

- GD 430 – Pulled w/ESP Assy. Cleaned the well bore out of sand down to 3781m. Pulled w/STC. MU and RIH w/ESP Assy. Landed at 1766m. POP.

- GD 413 - Derrick skid over he well. Some equipment was spotted in place. Will continue with re-location of pulling unit, tubing batch, and cable autopolar by crane vessel when available. W/O Crane Vessel support.

**Out of Filed.**

- Working on the design for adaption of 28m Derrick to PL 2 with idea of having heavy duty Rig over the well for future planned well WO / Intervention operations.

- Working on straddle packer application for B177.

- Had work on design of Mobile Cement Batch Mixer and submitted it for RFQ. Coordinating with suppliers regarding technical details.

Working with BH GE on cement application in GD wells with low injectivity zones, which need to be isolated from contribution into the production fluid.

**a) 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                      |
| July         | 10                                     | 2                      |
| August       | 12                                     | 6                      |
| <b>Total</b> | <b>74</b>                              | <b>30</b>              |

**b) Summary of Workover Activity**

| Workover Operations |                        |                |             |            |            |
|---------------------|------------------------|----------------|-------------|------------|------------|
| Well                | Operation              | AFE #          | Actual Cost | AFE Amount | Difference |
| BHR 196             | Fishing / Recompletion | 40-2-196-01-21 | 240M \$     | 238M \$    | (-)2M\$    |
| BHR 165             | Fishing / Recompletion | 40-2-165-01-21 | 108M \$     | 308M \$    | 200M\$     |
| GD 206              | Recompletion           | 40-2-206-01-21 | 55M \$      | 327M \$    | 272M \$    |
| GD 601              | Recompletion           | 40-1-601-03-21 | 77M \$      | 41M \$     | (-)36M\$   |

c) Summary of Well Service Activity

| Well Services |                  |             |
|---------------|------------------|-------------|
| Well          | Operation        | Actual Cost |
| GD 716        | ESP installation | 51M \$      |
| GD 430        | ESP replace      | 36M \$      |
| GD 502        | Well service     | 48M \$      |
| GD 479        | Well service     | 14M \$      |
| GD 467        | Well service     | 90M \$      |
| GD 465        | Well service     | 20 M\$      |
| GD 372        | ESP replace      | 26 M \$     |
| GD 058        | Well service     | 11M \$      |

– CONSTRUCTION: *Reported by Ali İskender Gurbanzade*

CONSTRUCTION PROGRESS REPORT FOR August 2021

| #                  | Field/Location              | Work Description   | Status      |
|--------------------|-----------------------------|--|-------------|
| <b>Gum-Deniz</b>   |                             |  |             |
| 1                  | Gum-Deniz,Causeways PLT-2   | Construction and restoration works at PLT2 in order to prepare wells 351 & 352 for WO. 8pcs of 12" pipes were hammered as a piles and are being connected to the existing metal sheets.  | completed   |
| 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 203;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 10th & 11th steel panel 8x10x400 & 12th 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."  | in progress |
| 7                  | Gum-Deniz,Causeways         | Continuing welding gas lines and elbows on 2.5" gaslift line layed from PLT9 to PLT450   | in progress |
| <b>Bahar field</b> |                             |  |             |
| 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.<br>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, PLT65                | Moving construction crew to PLT65 to carry out restoration and repairs as well to prepare wells 187, 189, 190 & 191 for WOs. Installation of 8th panel 60mm 10x10. Fabrication of pedestal on the east side of the well191.  | in progress |
| 10                 | Bahar, PLT 48               | Repair & installation works as preparation of wells 145 & 146 at PLT48 Bahar field for WO ops.   | 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  | Construction of entrance road, demolishing existing concrete and spreading it all around the area, area widening, area levelling and planning, and preparation of concrete slabs for A-80 rig (1-st stage) In order to get well 58 at Gum-deniz field back on production.  | in progress |
| 7  | Carrying out works to eliminate leak in the 20" production line in between supports #4-5;73-75 & 48.   |             |
| 8  | Repairs of rooms and corridor at 1st floor of C-D block of the New Adm. Bld.   | in progress |
| 9  | 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 |
| 10 | 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 |

**/// – SUBSURFACE:** *Reported by Ray Larijani*

**Workover Programs prepared**

- GD-502 Clean till 2250m. Log GR/CCL/CBL/QUAD neutron at 2250-1900 m.
- B-206 Clean well down to 3545m. Fishing of stuck out tubing strings 2 7/8"-85m (Fishing top-3545m), 2 7/8" - 124m (Fishing top-3720m) and L-5m gasing gun(3785m) out of the well. Clean well down to 4579m. RIH and perform , QR/NGR/CCL(4579-2800m) logging. Further operations will be planned according to GR/NGL results.
- GD-058 Clean well down to 3338m. POOH L-3m PKO-89 tubing gun. Drill cement plug 3338m and clean well down to 3517m. Run QR/QUAD neutron/CCL(3517-3200m) logging. Further operations will be planned according to GR/QUAD (Roke) results.
- GD-467 Log GR/CCL. Perforate 86mm tubing guns horizon PK, 3329-3328m, 3310-3308m, 3297-3295.5m. Run 2100m 2 7/8" tubing with gaslift valves.
- GD-479 Check TD with GGI. If there is a sand plug clean well till TD. Run 2000m 2 7/8" tubing with ESP.
- GD-502 Clean down to 2250m. Logging GR/CCL/QUAD neutron from 2250 to 1900m. Further operations will be planned according to QUAD neutron results (1st WP).
- Run 2000m 2 7/8" tubing with gas lift valves. POP. (2nd WP).
- GD-601 POOH tubing with gas lift valves. RIH 92mm gauge ring to 3145m. If gauge ring does not go to the required depth, RIH scraper to 3145m. QR/CCL logging. Past BP at 3144m. Past cement plug -2m with GGI dump bailer. Log GR/CCL, RIH SDP-43 (43mm) guns and perforate 3128-3130.5m,3108-3109m. Run 2100m 2 7/8" tubing with gas lift valves in the well . POP.
- Stop the well and bleed down all gas pressure from the well – this will allow us to take level

measurements with echometr. QR/CCL logging. Past BP at 3102m. Pressure test BP-100atm. Past cement plug -2m with GGI dump bailer. Log GR/CCL, RIH 73mm tubing guns and perforate 3040-3038m, 2986-2985m, 2978-2976m. Run 2300m 2 7/8" tubing with gaslift valves. POP (2nd WP).

### Wells logged/re-logged

### Wells completed

- B-196 Fishing/Recompletion. Ongoing. Expected free gas rate is 50 Mm<sup>3</sup>/d from B\_VII f/u. Actual cost \$240 M .
- B-165 Fishing/Recompletion. Ongoing. Expected free gas rate is 55 Mm<sup>3</sup>/d B\_X f/u. Actual cost \$108 M.
- B-206 Recompletion. Ongoing. Expected free gas rate is 29 Mm<sup>3</sup>/d. Actual cost \$55 M.
- GD-601 Recompletion. Not successful. Actual cost \$77 M.
- GD-716 ESP installation. Well is under monitoring. Actual cost \$51 M.
- GD-430 ESP replace. Well produces with 11 m<sup>3</sup>/d oil, 364 m<sup>3</sup>/d water, 1 Mm<sup>3</sup>/d solution gas. Actual cost \$36 M.
- GD-502 Well service. Well started to produce with 2 m<sup>3</sup>/d water and 3 Mm<sup>3</sup>/d solution gas. Actual cost \$48 M.
- GD-479 Well Service. Well produces with 4m<sup>3</sup>/d oil, 71 m<sup>3</sup>/d water and 2 Mm<sup>3</sup>/d solution gas. Actual cost \$14 M.
- GD-467 Well Service. Well produces 1 m<sup>3</sup>/d oil, 20 m<sup>3</sup>/d water, and 1 Mm<sup>3</sup>/d solution gas. Actual cost \$90 M.
- GD-465 Well Service. Actual cost \$20 M.
- GD-372 ESP replace. Well produces 8 m<sup>3</sup>/d oil, 200 m<sup>3</sup>/d water, and 2.5 Mm<sup>3</sup>/d solution gas. Actual cost \$26 M.
- GD-058 Well Service. Expected oil rate is 3 m<sup>3</sup>/d . Actual cost \$11 M.

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**

### **Reservoir Engineering**

1. GumDeniz South GumDeniz area simulation and WO candidates forecasting continues.
2. GumDeniz PK and KaS horizon simulation model has been initialized and history match has been started.



3. AWP 2022 production forecasting prepared and provided for budget calculation.
4. WO Success file updated.
5. Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
6. Updated Bahar and GD OFGM database.
7. Updated daily and monthly production follow-up database.

| <b>August 2021 Planned and Fact Production Comparison</b> |                  |                  |                   |
|---|------------------|------------------|-------------------|
|   | <b>Plan</b>      | <b>Fact</b>      | <b>Difference</b> |
| <b>Oil and Condensate, tons</b>                           | <b>3402.755</b>  | <b>1894.915</b>  | <b>-44%</b>       |
| <b>Free Gas, Mm3</b>                                      | <b>25789.445</b> | <b>17926.313</b> | <b>-30%</b>       |
| <b>Solution Gas, Mm3</b>                                  | <b>2778.456</b>  | <b>1484.283</b>  | <b>-47%</b>       |

### 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> |
|--|-------------------|------------------------------------|------------------------|
| <b>GD Field</b>                                      |                   |                                    |                        |
| GD South GumDeniz simulation model history matching. | 15 June 2021      | 30 September 2021                  |                        |
| GumDeniz PK and KaS horizon simulation model.        | 15 July 2021      | 30 September 2021                  |                        |
|  |                   |                                    |                        |
| <b>Completed</b>                                     |                   |                                    |                        |
| GumDeniz area GD-479 geological model.               | 15 July 2021      |                                    | 31 August 2021         |

## **IV- FINANCE:** *Reported by Rasul Gafarov*

### **On a Monthly Base:**

Completed Jul-21 accounting cycle in accordance with the monthly schedule.

According to JOA issued Jul-21 Monthly reports to Contractor Parties.

According to JOA and Jul-21 – Aug-21 Cash Calls distributed to Contractor Parties.

Issued Jul-21 Additional Monthly reports to Contractor Parties.

Issued and distributed Jul-21 Monthly departmental cost reports to Budget Holders / Department Managers.

Issued and submitted Jul-21 monthly reports to government bodies, including but not limited:

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

VAT, payroll, social fund and statistical reports;

**On an Annual Base:**

Finalized for 2020 Audit of below shown reports:

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

Start preparation for 2021 six month Audit of below shown reports and actions:

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

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

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

- Internal discussions were held and letter prepared regarding GSA extension and gas price change;
- Relevant documents were prepared and executed regarding the departure of G&G Manager;
- Post-redundancy structural change orders were drafted and executed;
- Inquiries received from various authorities regarding redundancy were addressed;
- Various SOCAR inquiries for information were addressed;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents. Contract with SOCAR Construction Trust executed, LoI with SOCAR Drilling Trust prepared and signed;
- Certain incoming letters were addressed with the necessary input;
- Liaison activities with Surakhany Mayor's office continued;
- Necessary internal orders were drafted/reviewed and commented;
- Rep Office's different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation; JAFZA renewals and other activities were carried out;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translation support was ensured.

**HR issues**

- Use of the outstanding vacations was monitored.
- Employment Agreements of 10 employees were terminated.
- Employment Agreements were signed with 3 new employees.
- To be expired contracts were followed up and management was updated.
- Overall, 561 HR-related operations have been completed through this month.
- Organizational structures have been updated as per last changes.
- 208 vacations and 28 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 to software.

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

### **- Administrative affairs**

- The indicators of Azersu water meters were reported;
- Monthly schedules and timesheets for the Administrative department, as well as for their contractors have been prepared;
- MRs were prepared for take-off of the goods entered into Administration warehouse;
- Monthly reports on turnover goods and materials, low value goods and write-off acts as well as low value goods use acts were prepared;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out; inspection of the operating systems of the rooms and offices; supervising the cleanliness and tidiness of the offices and rooms was performed;
- Damaged equipment was replaced with new ones in sanitary facilities;
- 5 air conditioners, 4 dispensers and 1 refrigerator were repaired.
- 60 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**

- 380 persons and 220 vehicles entered BEOC 261 area based on request issued for one-time entrance permissions.
- Maintaining records in the logbook of 506 employees who left for Bahar (working per shift) and checking their availability at work during July.
- On 08, 10, 19, 24, 26 August 2021, deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel.
- On 18.08.2021, the specialists of department took part in the control of the transfer of 102588 liters of diesel fuel to "Bahar" area.
- 4 letters have been sent to Avtandil Aqayarov, the chief of "Tornado-S" LTD, in order to get the permission certificates for 15 employees and 5 special machines to be able to enter the "BEOCL" area, according to points of the contract.
- T-card control was carried out per the established procedure;
- Civil defense-related activities continued as per the approved plan.

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

### **Procurement Division**

- 68 MRs & SRs Received;
- 86 POs and SOs prepared in SUN System;
- 1 MRs canceled/oh hold;
- 2 MRs & SRs passed to Contract/Tender;

- 46 MRs & SRs under sourcing stage.

**Tendered Contracts under process – 1**

- BEOCL 10173 - Rent of ESP's

**Tendered Contracts placed – 1**

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

**Number of Active Contracts**

- OPS/WO/LOG – 102 (incl. 15 transportation services and 20 services contracts for empl.);
- Construction - 27;
- HSE – 13 (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:**

- **673,547.00 kg** handled without incident;
- WHS received **71 PO's, 246 line items** for the amount of **AZN 936,314.73**;
- WHS issued **386 line items** for the amount of **AZN 671,144.92**;
- **87** NCR's raised; **32** NCR's was closed;
- Fuel station received **102,588.00** Liter of Diesel;
- Fuel station issued **132,044.00** Liters of Diesel;
- Fuel balance at September 1, 2021, is **28,806.00** Liters.

***IX – IT:*** *Reported by Eldar Eyyubov*

- No disruption in ICT department within August
- 90 helpdesk requests were processed
- All new employees were provided with access cards
- Two new Laptops were received and handled
- The seismic workstation was upgraded with new CPU and RAM
- The Greenfields petroleum web site was updated
- 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**-----