

**BAHAR ENERGY OPERATING COMPANY LIMITED**

**Monthly Report**

**April 2022**

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

A summary of activities during April 2022 is below:

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

- No incidents or spills were recorded in April. BEOC issued 58 Permits to Work in January.
- HSE department has been continuously taking preventive actions in the BEOC buildings and main roads against potential Corona Virus infection. Information about COVID-19 vaccination of our BEOCL employees was registered with the authorities and daily monitoring was carried out by the HSE department. In total, 522 employees received 1<sup>st</sup> dose, 522 employees received 2<sup>nd</sup> dose, 448 employees received 3<sup>rd</sup> dose, and 6 employees received the 4<sup>th</sup> dose vaccine by the end of April.

### **b) Production:**

- Oil production was 460 Bopd, down by 100 Bopd from March 2022, due to GD371 and 430 ESP failures and ongoing well maintenance.
- Gas production was 20.5 MMcfd, which was up 3.3 MMcfd from March production due to bringing on production BH165 well on Platform 168. Unfortunately, B169 well production stopped due to a hole in the production string
- BEOC also utilized 1.7 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressure, which required additional compression fuel.
- Total production of 3731 BOE/d in April was up 7 percent from the prior month but remains 36 percent below the Budget forecast for the month. This shortfall is mainly due to the longer period of the Bahar workovers to reach the deeper target zones. Deep Bahar gas completions were budgeted to come online in Q4 2021 and are now expected to be on production in Q2 2022.

### **c) Workovers:**

- In Gum Deniz, workovers in the GD372, GD430, GD203, and GD058 continue.
- In Bahar, well BH 169 and BH74 continued fishing and recompletion activities.

### **d) Construction:**

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

### **e) Subsurface**

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

### **f) General Management**

- The Bahar CMC meeting was held on April 14, 2022, to review progress on implementing the 2022 WP&B. BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure a safe workplace for all our employees and contractors.

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

**a) Summary: HSE:**

- No any incident was recorded in April.
- TRIR is 0.00 by the end of April.

**b) Monthly Safety statistics (Lagging indicators) for April 2022**

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	89632	0	0	55
February	0	79032	0	0	44
March	0	91343	0	0	59
April	0	84682	0	0	58
<b>Total</b>	<b>0</b>	<b>344689</b>	<b>0</b>	<b>0</b>	<b>243</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:**

- Daily monitoring of COVID-19 vaccination status of BEOCL employees was carried out by HSE department. 522 employees (100%) got 1<sup>st</sup> dose, 522 employees (100%) got 2<sup>nd</sup> dose, 448 employees (85.8%) got 3<sup>th</sup> dose, 6 employee got 4<sup>th</sup> dose vaccine by the end of April.
- HSE department has been taking preventive disinfecting actions at the BEOC work places against potential Corona Virus infection.
- HSE department performed weekly 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.
- 50 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.
- Snake repellent treatment against poisonous snakes has been carried out in our production areas.

**- SAFETY:**

- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 23 newcomers/ visitors.

- In accordance with Local regulation the Health and Safety knowledge evaluation of 10 BEOCL technical and engineering employees was carried out.
- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspection was provided and reported. Fire fighting water pump was tested at the Oil Process and Transportation field.
- Fire water poles were inspected, valves, taps and heads were serviced, each water pole was numbered, a monthly inspection tag was hung on it and registered for control.
- The area around the dam road and production areas have been cleared of dry grass.

**- 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
<b>Total</b>	0	0	0

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (30 m3) was disposed through Hovsan Sewage treatment plant.
- Transportation of Hazardous wastes (280 m<sup>3</sup>oil sludge) from Oil process and transportation site was organized and successfully performed.

**e) Training and other activities:**

- As a part of HSE assurance plan 2022 Safety Stand down Meetings were conducted at the BEOCL worksites in the following themes in April:

“Confined space entry” for 31 employees.

- The Azerbaijan State Scientific Research Institute of Occupational Safety and Health of the Ministry of Emergency Situations conducted a training on "Fire Protection" for 50 employees.

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

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

OIL and GAS Production 2022 Budget and Actual																	
Apr-22	Oil Shipped to sales Point Actual ton/day	One ton equal to barrel	Oil Shipped to sales Point Actual BOE	Oil Production Actual ton/day	Actual BOE for Oil	Oil Production Budget ton/day	Budget BOE for Oil (equal to barrel 7,4)	Gas Production Actual m3/day	Gas Production Actual scf/day	Gas Delivery m3/day	Gas Delivery scf/day	Gas Delivery BOE	Gas Production Budget m3/day	Gas Production Budget scf/day	Budget BOE for Gas	Total Actual BOE	Total Budget BOE
January	71	7.47	528	70	521	93	685	460,294	16,255,283	437,234	15,440,919	2,778	713,541	25,198,700	4,533	3,306	5,218
February	72	7.48	535	73	546	105	777	504,296	17,809,213	478,309	16,891,482	3,039	790,583	27,919,439	5,022	3,574	5,799
March	78	7.51	582	82	613	100	740	500,733	17,683,386	478,175	16,886,750	3,038	771,878	27,258,872	4,904	3,620	5,644
Q1 Average	73	7.49	549	75	560	99	734	488,441	17,249,294	464,573	16,406,384	2,951	758,667	26,792,337	4,820	3,500	5,554
April	40	7.51	302	61	460	102	753	580,722	20,508,197	539,801	19,063,072	3,429	805,741	28,454,743	5,119	3,731	5,871
May																	
June																	
Q2 Average																	
JULY																	
AUGUST																	
SEPTEMBER																	
Q3 Average																	
OCTOBER																	
NOVEMBER																	
DECEMBER																	
Q4 Average																	

**b) Production – Gum Deniz**

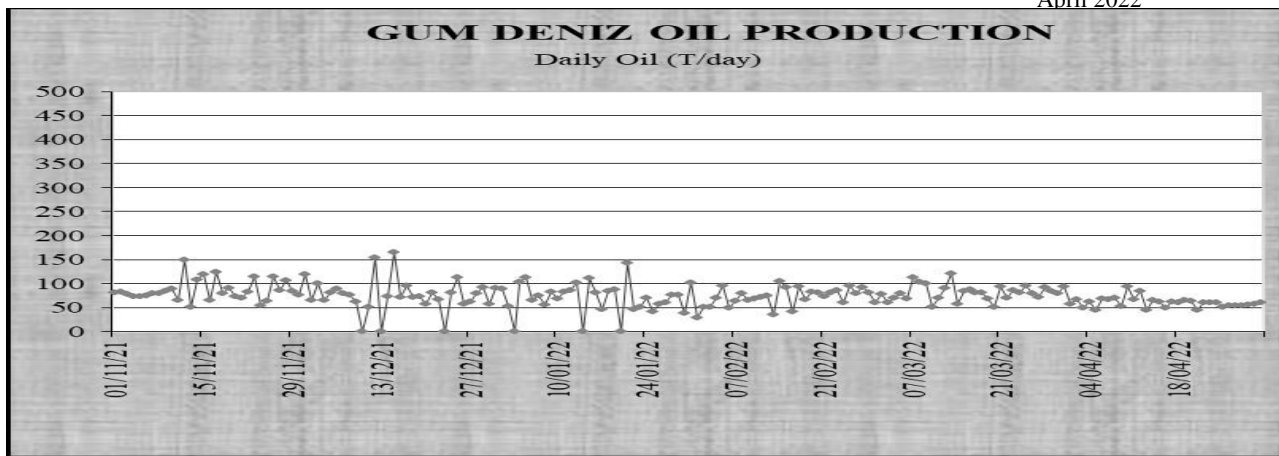
- Production rate of the Gum-Deniz field averaged 61 tons/day. Delivery 40 tons/day .
- During the reporting period, we did not deliver solution gas, the volume of gas required for oil refining and domestic demand of compressors was 1,920,000 m3 (64,000 x 31).

The chart below shows the reasons for oil production decrease

Oil Production Rate Differences Between March and April 2022																																		
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
March 2022	2	2	0	0	1	21	0	0	6	0	5	10	0	0	0	3	4	0	0	0	2	2	2	4	6	4	5	12	1	0	8	3	0	103
April 2022	2	2	0	0	4	9	4	0	3	0	3	2	0	0	0	3	5	0	0	0	3	2	2	4	6	4	5	13	1	0	7	3	0	88
Difference																										-15								

- Well GD372 was handed over to WO due to decrease in oil production. WO operations have been completed and the well was POP by th ESP method.
- Well GD430 was handed over to WO due to decrease in production. WO operations have been completed and the well was POP by the ESP method.
- WO operations have been completed in GD058 and the well was POP with gas-lift method. And the well was again handed over to WO because of the fully water production.
- WO operations have been completed in the well GD465 and the well was POP with gas-lift method.
- Well GD418 was handed over to WO due to decreased oil production. WO operations have been completed and the well POP with ESP method.
- WO operations are underway in GD203.
- WO operations are underway in GD474.

**Production graph for last 6 months: Gum Deniz**



**c) Production – Bahar**

- Bahar daily gas delivery realized as an average of 539 801 m3/day
- Gas delivery was 19.063 MMcfd.
  
- The chart below shows the reasons for gas delivery increase.

Gas Production Rate Differences Between March and April 2022															
Date / Well#	83	140	144	165	167	169	170	171	175	179	182	205	206	241	Total, x1000 m3
March 2022	22	39	0	0	0	74	104	1	68	62	1	21	61	40	493.0
April 2022	22	38	0	106	0	47	104	1	70	67	1	20	67	40	584.5
<b>Difference</b>															<b>91.5</b>

- WO operations have been completed in well BH165 at PLT168 and the well was POP. Well flows naturally.
- WO operations are underway in well BH74 at PLT 70/106 of “Bahar” field.
- “Production of the well BH169 at PLT168 was completely stopped that’s why the well was handed over to WO.
- Refurbishment operations are in progress at PLT70/106, PLT168, PLT48, PLT65 and periodically at PLT9/129. Work is carrying out by construction crews of BEOC.

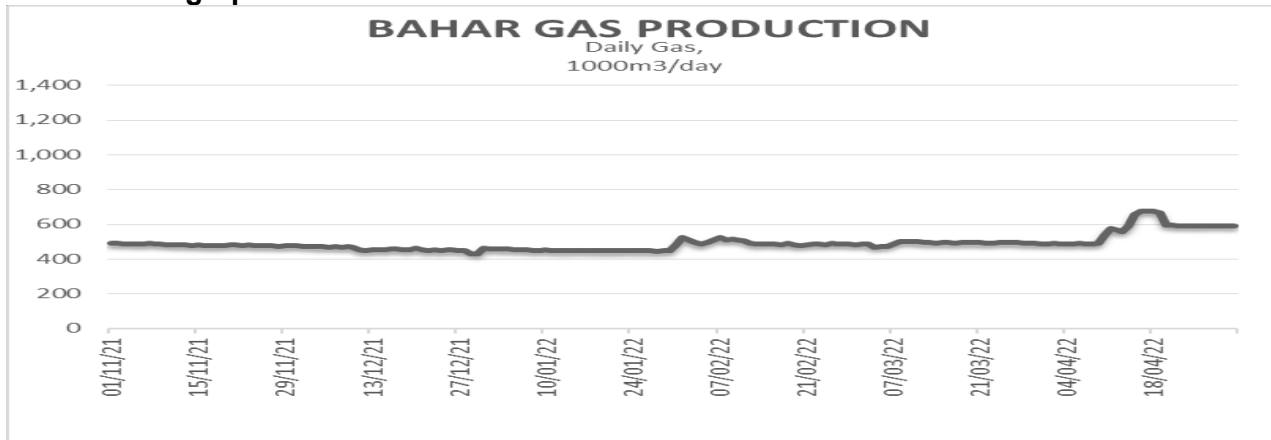
**During the reporting period, the Shirvan2 crane vessel operated on an order basis.**

**Work done by Shirvan 2 crane vessels:**

1. At the Zigh port, Shirvan-2 crane-vessel took from the deck of Ulluchay crane-vessel the equipment for sliding the derrick to its deck and the traverse of PU "A-80".
2. On the PLT 65, "Bahar" field took the pedestal and the derrick from the side and placed them on the east side to slide on the well No191.
3. It took 1pc 20m3 iron fuel tank on board from PLT20.
4. Provided PLT168 with equipment for sliding the derrick from the deck. The rope and traverse of the A-80 PU were transferred from the board of the Ulluchay crane-vessel to the deck of the Shirvan-2 crane-vessel.

5. It took 1pc A-80 PU, 1pc 10x10 metal panel from the PLT196 on board and assisted in the movement of 1pc 10x10 panel and various materials.
6. Provided the PLT 48 with 1pc 20m3 iron fuel tank, 1pc 10x10 metal panel from the deck and relocated the living shacks.
7. Provided causeway PLT002 of "Gum-Deniz" field with "A-80" Pulling Unit from the deck. (For well No351).

#### Production graph for last 6 months: Bahar



#### Additional Production Works:

- The "Closed System" project, which is designed to prevent the environmental pollution of produced water discharged from process tanks at oil processing&delivery field, is being continued by the Construction Department.
- Repair work on the Demulsification Furnace No2 at oil processing&delivery field has been completed, tested and is considered satisfactory by the contractor company.
- In oil processing&delivery field, the contractor company completed minor repairs of tank No6 in the tank farm of 2000m3 and put it into operation.
- In oil processing&delivery field preparing for the repair of 5,000m3 tanks collecting produced water from field of 5,000m3.
- The repair work of the lines related to the open cooling system of CS1 and the ring 20" cooling system between CS1 - CS2 stations was completed by the construction department.
- Medium repair work is underway on the gas compressor machine No6 in CS1.
- Relocation of the gas / liquid metering junction is underway at site PLT470 belonging to the "Gum-Deniz" field.
- In connection with the removal of the GDU (Gas Distribution Unit) in the causeway PLT450 in "Gum-Deniz" field , 3pc 2.5" gas lift lines were laid from causeway PLT9 to PLT450, the coordination work will continue by the construction department.
- Relocation of GDU from the emergency are of the PLT209 has been completed, tested and the GDU was put back into operation.
- The construction of a 35 atm gas pipeline and metering junction for the delivery of BEOCL's natural gas to the Gas Export Department through SOCAR's 28 May OGED was completed, tested and put into operation by our construction department.
- The construction of oil&gas sepereting unit No2 Separator Park, designed to separate BEOCL's natural gas and deliver it to the Gas Export Department, is underway.

April 2022	
Name of the operation	Completed Operations
Hot Light Oil and Diesel Operation in wells	25(11 wells)
Fluid level survey	46(15 wells)
Sulfanol treatment in wells	
Salinity measurement in wells	98(35 wells)
Soap stick application in gas wells	-

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

**CONSTRUCTION PROGRESS REPORT FOR April 2022**

#	Field/Location	Work Description	Status
<b>Gum-Deniz</b>			
1	Gum-Deniz, Causeways	In order to re-commission well No. 005, located on location 470 in the island area, which has been out of operation for a long time, temporary put on hold re-installation and connection of "GDU", "Fluid Measurement" junction and "Household gas" separator located in the area preparation of details in the workshop for laying lines.	In progress, Davam edir
2	CS, OGSU-2	Preparation and welding of details of BEOCL's natural gas, re-installed metering junction and inlet and outlet lines of 2 new separators for laying of 35 mm gas pipeline from Oil and Gas Extraction Company named after 28 May to Gas Export Department have been completed. In addition, the installation of bridges, service areas over valves and pipes.	In progress, Davam edir
3	Gum-Deniz, Causeways PLT9	Installation of a platform due to spot change of the unit PQ13 located in between the crossroad and PLT9. Carried out the installation of 2 pannels 10x10. Completed welding of leaned 10" pipes for reinforcement of the pannels. Carrying out works to connect with existing causeway road. Preparatory work for the construction of the building.	In progress, Davam edir
4	CS, OGSU-2	On the basis of the project, Representation of BEOCL in the Republic of Azerbaijan, Reconstruction of the separator system in order to improve the quality of sales gas from the "Bahar" field in OGSU2. Installation of 6 new separators and coordination between them.	In progress, Davam edir
5	Gum-Deniz, Causeways, in between PLT235-64	"Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the platform and pipes.	In progress, Davam edir



<b>Bahar field</b>			
7	Bahar, offshore oil&gas collecting Unit No2	The project continues to install 12" fluid and gas lines and supports along the existing bridge direction. Expansion of the existing comb separator area in the south-western part of the working area. Reinforcement of lines from wells in the southern part of the existing work site and installation of a 6x13m size service area. The installation of comb separators and pipe-fitting joints, manufactured and delivered from the workshop, has been completed on the newly installed panels. Connecting new lines with existing lines and laying a new technical water line.	Work has been temporarily suspended
8	Bahar, PLT-65	In order to prepare for the WO of wells 187, 189, 190 and 191 located in the "Bahar" field, PLT 65, and the repair work to be carried out. In the western part of the platform, 8x10x40m metal plates were installed in the area intended as living block. In the eastern part of the working area, 1 Boat Landing was installed and fastened and connected to the floor. Currently, the installation of the underrotor of well 189 and the area around the well is underway.	In progress
9	Bahar, PLT-9/129	Installation of 2 metal plates in PLT9/129, initial supply of materials and installation of a footing area for hanging Boat Landing in the southern part. Temporary transfer of workers to the offshore platform by crane-vessel.	In progress
10	Bahar, PLT48	Preparation of well No145 for WO in PLT48. Installation of a sliding section on the north and south sides of the metal plate to slide the derrick over wells 144 and 145 has been completed. Assembling of the underrotor supports of well No146 and the area around the well had been completed. Work is underway to assemble the rotor supports of well No. 146 and the area around the well	In progress
11	BH PLT9/129	Installation of 2 metal plates in PLT9/129, initial supply of materials and installation of a footing area for hanging Boat Landing in the southern part.	In progress
12	CS, offshore oil&gas collecting unit No1	Carrying out works to increase the durability of existing lines and connecting bridges in offshore oil&gas collecting Unit No1.	In progress
13	Bahar, PLT-70/106	Repair and installation works to be carried out in order to prepare for the WO of well #74 located in PLT106/70 "Bahar" field. Connection of wells and existing production lines and installation of manifold lines.	In progress

<b>Additional Works</b>	
#	
1	In the hangar No. 1 of the central warehouse area, the installation of shelves for the collection of goods and materials has been completed. Next, work is underway on the 3rd hangar. Assembling and commissioning of 8pc shelves are completed.
2	The construction of a hangar for storing chemicals near the hangars belonging to the central warehouse on the island has been completed, as well as the installation of 2.5-pipe trusses and inter-farm wooden shafts. Preliminary preparations for the installation of corrugated sheet metal. A total of 445 m <sup>2</sup> of roofing was completed. Materials are expected to be purchased for the 9

	construction of the surrounding walls.
3	"Gum-Deniz" field, in different parts of the causeway, in accordance with the work plan of AFE 70-1-007-01-22Ç TS-01-22-07 dated 07.01.2022, designed for the repair of emergency supports. Next, preparations for the installation of supports between crossroads causeway PLT9.
4	In the field of oil refining and transportation, the oil trap has been closed with metal sheets on the floor and walls; the trap is connected between the three sections. The drainage system for oil collection is being assembled.
5	Installation and connection works completed in between old gas lift pipeline along the dam road and the entrance and existing water line close area to the "Halikarnas" restaurant as well as installation of vertical pipeline supports. Work is on-going on cutting of old unused lines and installation of additional pipe supports on the existing water line on-going
6	Welding works for the purpose of repairing emergency parts of 500 mm water line of water cooling system at compressor stations 1 and 2 of gas processing delivery field was completed.
7	Installation of new piles and connection with existing constructions in the sections of between crossroads-PLT9, between PLT208-PLT209, PLT66-PLT450 at causeway has been completed.
8	Inv No2 located in the area of 2000m3 oil tanks of Oil comp prep delivery field. Repair work of demulsification furnace number 2291. 100% of work was done. Checking for airtightness, commissioning.
9	Preparation of push-ups on the south-eastern and south-western legs to prepare for the Derrick skidding on the causeway at PLT208 has been completed. Carrying out works on preparation of pusher supports on north-western and north-eastern legs
9	Installation and welding of lines from 4" and 2.5" pipes exiting the separator, electric furnace Gas Distribution Unit in order to relocate the existing GDU located in causeway PLT209. Construction the new Gas Distribution Unit's building was completed. Construction and painting of the GDU's building.
10	Connection of demulsification furnaces No1 and No2 located in the area of 2000m3 oil tanks of oil processing delivery field and re-installation of 8" inlet-outlet lines for oil refining were completed.
11	"Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the platform and pipes.
12	In order to relocate the physic-chemical laboratory to the auxiliary building located on the island Carrying out of planned repair-construction works.
13	Carrying out works in the "5000" area in oil processing delivery field for the purpose of cleaning and repair of sediment and deformation of some parts of the reservoir water trap.
14	De-assembly of "UPT-1-50" type PU device installed at causeway PLT2 and moving it on the wells No 203,716, 297, 372 with the help "Hydraulic-Tower Sliding Jack" set.

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

**Bahar WO's**

- BHR 165 – Successfully completed re-completion. Perforated at the intervals 3801-3796m at Hor. VI. Flowing gas.

- GD 074 – Logged at the intervals 4124-3700m. Per the interpretation result decision has been made to complete the well at Hor. VII. by perforating at 4097 - 4104m and 4106 - 4111m intervals with 73mm TCP BHA. Executed but well didn't flow. Working on uphole completion.
- B144 – Completed RU jobs w/rig-related equipment. RU, Punched hole via wireline at 3990m, but again with no circulation. Decided to cut tubing at this depth, performed tubing cut via Jet Cutter. Pulled and moved string, the first joint pulled with pull drags which confirmed fill. Pulled cut joint (attached). Tubing string was investigated, no holes or corrossions were observed. Continue with BP set and Perforation ops. Ongoing...
- BHR 169 – Due to production stop, Rig moved onto well. Latch off ON/OFF tool from packer BHA. Pulled and Observed 5mm OD hole on 407th TBG Jt. - 3776m. This depth is across to 3765 - 3775m perforation interval. Which now proved that had cross flow and made holes in the tubing. MU and RIH w/ON/OFF Tool Overshot put 11 joints of 7.9PPF blast joints across the 3765 - 3775m perforation interval. Ongoing..

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

- GD 058 – Cemented 3320-3330m intervals. Cleaned the wellbore from sand plug down to 3375.10m. MU and RIH w/Production string, landed at 1306m. POP the well.
- GD 372 – Moved the rig from G203. RU Rig. Pulled production string, 667m. Observed 9mm hole at 660m joint #72. Pressure tested remaining production tubing in the well to 50atm, OK. Checked and spliced ESP cable. RIH ESP Assy back into the well and landed at 2137m. Put well back on production.
- GD 465 – Squeezed cement into the 3285 - 3290m, 3294 - 3310m perforation intervals. Will mill off the cement across perforation interval and pressure test. Operations underway.
- GD 038 – Well production optimization. Lowered the Production String - GLV system to 2203.46m. POP.
- GD 474 – Milling and cementing squeeze operations are underway.

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

- GD 430 – Completed preparing jobs. Pulled out of the hole and eroded tubing was replaced with tubing in good shape. RIH w/ ESP assy till 1677.93m. POP.
- GD 418 – Pressure tested tubing string to 50atm for possible by pumping down tubing, no leak. Completed POOH and LD of ESP Assy, observed ESP motor burn. Cable armor below 900m has significant corrossion. RIH w/ESP Assy. Landed at 1342m. Put well back on production.

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

- Continue coordination of SideTrack Project with SOCAR Drilling Trust. Made recommendations for developing a stimulation drilling program for G601 ST. Appointed meeting for move forward on the financial agreement and contract placement. Arranged site visit to the location regarding Drilling Rig and equipment spotting as per

sketch requirements. Made necessary order for prep works.

- Continue coordinating orders regarding equipments:
  - New ADPM truck (steam truck) – 1 set.
  - Power Swivel Unit – 3 sets.
  - Skid base Triplex Slurry Pump – 2 sets.
- Coordinating with ADO-G regarding redness 28m Derrick for B190 well at PL065.
- Coordinating with IDS Company regarding redness 120tonner Drawwork for B190 well at PL065. Tested and received a new set of Draw work.
- Implementing and executing repair and maintenances programs for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with the Procurement team.

a) **Monthly / Annual Workover Statistics**

<b>Month</b>	<b>Workover &amp; Well Service Jobs completed</b>	<b>Number WO &amp; WS Success</b>
January	8	2
February	9	3
March	8	2
April	16	8
<b>Total</b>	<b>57</b>	<b>15</b>

b) **Summary of Workover Activity**

<b>Workover Operations</b>					
<b>Well</b>	<b>Operation</b>	<b>AFE #</b>	<b>Actual Cost</b>	<b>AFE Amount</b>	<b>Difference</b>
BHR 165	Fishing / Recompletion	40-2-165-01-21	351M \$	308M \$	-43M \$
BHR 167	Recompletion	40-2-167-01-22	6M \$	196M \$	190M \$
BHR 169	Fishing / Recompletion	40-2-169-01-22	22M \$	405M \$	382M \$
GD 074	Fishing / Recompletion	40-2-074-01-21	209M \$	365M \$	156M \$
BHR 144	Recompletion	40-2-144-01-22	57M \$	164M \$	106M \$
GD 203	Recompletion	40-1-203-01-21	85M \$	42M \$	-44M \$

c) **Summary of Well Service Activity**

<b>Well Services</b>		
<b>Well</b>	<b>Operation</b>	<b>Actual Cost</b>
GD 430	ESP Replace	38M \$
GD 418	ESP Replace	2M \$
GD 465	Remedial cementing operation // Lower Re-completion	87M \$
GD 474	Fishing / Lower Re-completion	55M \$
GD 058	Remedial cementing operation	59M \$
GD 372	ESP Replace	22M \$
GD 038	Optimization	M \$
GD 297	Well service	30M \$
GD 479	Optimization	18M \$
GD 716	ESP Replace	138M \$

**d) Well operations heavy equipment report**

<b>Well operations heavy equipment field 2022 April</b>					
<b>Work Description</b>	<b>Number</b>	<b>Work hours</b>	<b>Engine Hours</b>	<b>Repair Hours</b>	<b>Mileage km</b>
TRF	18				
Pulling units and Tow tractors used at Workover Workshop	14	580.5	580.5	103	
Stationary type pump unit (V-12)	1	22.5	22.5	8	
Stationary type pump unit (V-16)	1	119	119	25	
QBQ-120	3	203	203	47	
QBQ-160	1	96	96	2	
Mobile (two-part) ADPM unit	1	13	13		
Cementing Pump Trucks serving BEOC Departments	12	2676	340	168	33

<b>Steam Unit Transportation field</b>	<b>1</b>	<b>128</b>	<b>23</b>	<b>44</b>	<b>39</b>
<b>Fire trucks of Transportation field</b>	<b>4</b>			<b>1</b>	
<b>Transportation field - Added repairs</b>	<b>4</b>			<b>50</b>	
<b>Number of trucks put into operation after long-term repairs</b>					

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

**Workover Programs prepared**

- GD-372** Pull the tubing with ESP. Inspect the condition of the 2 7/8" tubing and pump. Run 2150m 2 7/8" tubing with ESP.
- GD-430** Pull the tubing with ESP. Inspect the condition of the 2 7/8" tubing and pump. Run 1700m 2 7/8" tubing with ESP.
- GD-297** POOH tubing with qaslift valves. RİH 2.5" tubing to 200m.
- B-074** Set BP at 4123 and put on sement liquid with GGI. Run 73mm TCP guns with mapset packer at the end production string within perforation zone 4111-4106m (5m), 4104-4097m (7m). Coorolate packer setting and TSP guns depth.

**Wells logged/re-logged**

GD-716 GR/CCL  
B-165 GR/CCL (2), GR/NGL  
B-074 GR/CCL, GR/NGL

**Wells completed**

- B-074 Fishing/Recompletion.** Ongoing. Logged Expected free gas rate is 50 Mm3/d from B\_VIII f/u. Actual cost 194 M \$.
- B-165 Fishing/Recompletion.** Perforated at the intervals 3801-3796m at horizon VII .Well produces with 10 mm choke size, 150 Mm3/d natural gas, 1 m3/d liquid with 15 % WC. Actual cost 321 M \$.
- B-167 Recompletion.** No Success. Deferred. Actual cost 6 M \$.
- B-169 Fishing/Recompletion.** Stopped due to high water production. Tubing investigated, damage (5mm hole) identified, replaced. Expectation to get back 70 Mm3/d natural gas production before technical problem occurred. Actual cost 22 M \$.
- B-144 Recompletion. Ongoing.** Expected natural gas production is 50 Mm3/d from horizon VII. Actual cost 44 M \$.

- 6. GD-203 Fishing/Recompletion. No Success. Deferred.** Expected oil rate was 4 ton/d. Actual cost 83 M \$.
- 7. GD-058 Fishing/Recompletion/Remedial cementing operation.** Cemented 3320-3330m intervals. Cleaned the wellbore from sand plug down to 3375.10m. Expected oil rate is 4 ton/d PK horizon. Producing water for drain formation. Actual cost 235 M \$. Remedial cementin job. Actual cost 59 M \$.
- 8. GD-372 ESP Replace.** Actual cost 22 M \$.
- 9. GD-038 Optimization.** Actual cost 0 M \$.
- 10. GD-297 Well Service.** Actual cost 30 M \$.
- 11. GD-479 Optimization.** Actual cost 18 M \$.
- 12. GD-716 ESP Replace.** Actual cost 137 M \$.
- 13. GD-418 ESP Replace.** Actual cost 2 M \$.
- 14. GD-474 Cementing/Fishing.** Expected oil rate is 5 ton/d IX/X horizon. Actual cost 55 M \$.
- 15. GD-430 ESP Replace.** Well produces 260 ton/d water. Expected oil is 10 ton/d oil from horizon X Actual cost 38 M \$.
- 16. GD-465 ESP Replace.** Well produces 77 ton/d water. Expected oil is 2 ton/d oil from horizon PK. Actual cost 87 M \$.

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

**Cased-hole logging:**

GD-716 GR/CCL  
B-165 GR/CCL (2), GR/NGL  
B-074 GR/CCL, GR/NGL

**Interpreted logs from GGI:**

1. B-165 GR/NGL
2. B-074 GR/NGL

**Geology**

**Reservoir Engineering**

1. GumDeniz PK and KaS horizon simulation model history match in progress.
2. WO Success file updated.
3. Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
4. Updated Bahar and GD OFGM database.
5. Updated Daily and monthly Production follow up database.

<b><u>April 2022 Planned and Fact Production Comparison</u></b>			
	<b>Plan</b>	<b>Fact</b>	<b>Difference</b>
<b>Oil and Condensate, tons</b>	<b>3051.259</b>	<b>1837.341</b>	<b>-40%</b>
<b>Free Gas, Mm3</b>	<b>24172.225</b>	<b>17421.650</b>	<b>-28%</b>
<b>Solution Gas, Mm3</b>	<b>3785.943</b>	<b>1031.190</b>	<b>-73%</b>

**Seismic:**

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

***VI- FINANCE: Reported by Rasul Gafarov***

**On a Monthly Base:**

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

Issued Mar-22 Additional Monthly reports to Contractor Parties.

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

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

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

**On an Annual Base:**

Completed process for 2021 annual Audit of below shown reports and actions:

- BEOC Cost Recovery Report;
- BEL Profit Tax Return;
- GPI IFRS report

***VII- LEGAL PROCESS AND HUMAN RESOURCES: Reported by Ahmadiyya Musayev***

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

- Contractual drafting and review work continued working on various contractual documents, including finalizing MoU and Term Sheet with SDT;
- Necessary actions were started and maintained with respect to formulating BEOC position on issues related with World Market Oil Sales Agreement;
- Letter was sent to SOCAR Acting President with introduction;
- Cooperation was maintained with SOCAR Upstream and necessary information and document inquiries were addressed;
- Legal support was provided within the employment contract termination process;
- Liaison activities with Surakhany Mayor's office, YAP, and other government authorities, including security forces continued;
- Participation was ensured in Azerbaijan Ethics and Compliance Network sessions and activities;
- Necessary internal orders were drafted/reviewed and commented;
- Rep Office's different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation; JAFZA renewals,



- extension PoAs, obtaining necessary Certificates of Incumbency and other activities were carried on, including with Caymans and BVI authorities;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
  - Verbal and written translations support was ensured.

**a) HR issues**

- Use of the outstanding vacations was monitored.
- Employment Agreements of 2 employees were terminated.
- Employment Agreements were signed with 2 new employees.
- To be expired contracts were followed up and management was updated.
- Overall 413 HR related operations have been made through this month.
- Organizational structures have been updated as per last changes.
- 100 vacations and 20 bulletins have been written and entered to the HRB system.
- Review and revisions of current job descriptions were ongoing.
- Review of employee personal files continued.
- Meetings were held with HRB system provider to discuss issues related with software.

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

**a) Administrative affairs**

- Water meter readings are monitored:
  - Gascompressor 01.04-29.04.2022 1080.00m3
  - Water distribution point 01.04-30.04.2022 709.00m3
- The gas meter reading is monitored:
  - Access Control Point #1 01.04-04.05.2022 631.92m3
- The activity of Boiler house was suspended, winter mode was replaced with summer mode to provide the administrative building with hot water on 18.04.2022;
- Some parts of the BEOCL road sign were demolished on 26.04.2022;
- Representatives of Surakhani district MM and FH department inspected the areas where the sirens are located to check whether the S-40 sirens are working on 8.04.2022;
- For installation of insect screen for windows the dimensions of the windows of the offices and foyers of the administrative building were taken on 29.04.2022;
- Fixed assets were inspected with the participation of commission members from SOCAR, unusable fixed assets were registered on 18-27.04.2022;
- Stationery orders for 1st and 2nd quarter stopped, the stationery available in the Warehouse is used sparingly;
- As the seats in the conference hall are not satisfactory for the purchase of 30 ea new seats was prepared MR;
- It is expected to purchase an automatic valve (fujer) ordered for the boiler house;
- It is expected to purchase goods and materials required for the repair of household appliances;
- On the monitors are showing oil and gas production and the success of the country and the company;
- Orders for curtains, door panels and protective nets have been suspended;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out, inspection of the rooms and offices, supervising the cleanliness and tidiness of the offices, rooms and around the main office was performed;
- Monthly timesheets for the Administrative contractors have been prepared;
- At the water distribution point, the gardener monitors the water supply 7 days a week;

- The gas equipment, gas pressure, temperature of the gas are control, when the weather is hot the gas pressure reduces, dirty water are removing from the gas regulating of the tank which located at the site 470, the manometers in the inlet and outlet gas lines are in control in the boiler house daily;
- Different types of food are cooking for employees every work days in canteen.
- 50 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**

- 130 one-time permissions were issued for 163 person and 124 vehicles entered to BEOC premises based on the requests received.
- Records in the log book of 862 employees who left for Bahar (working per shift) were maintained and their availability at work was checked during the current month.
- Deployment of employees (working on shifts) to Bahar field on vessels was accompanied on 05,10,14,16,20,24,27 days of current month by the Department's rescue-diver personnel.
- 4 letters were sent to Avtandil Aqayarov, the Chief of " Tornado-S " LTD, in order to get permission certificates for 14 employees and 4 special vehicles to be able to enter the "BEOCL" area, according to terms of the contract.
- On 05.04.2022, the specialists of department took part in the control of the transfer of 170980 liters of diesel fuel to "Bahar" area.
- T-cards control was carried out per the established procedure.
- Civil defense related activities continued per the approved plan.

### **Information Technologies**

- Within April was no disruption in ICT dept.
- 78 helpdesk requests were processed
- Two employees were provided with new laptops
- Fixed was printer issue in warehouse and MMTX offices
- Fixed printer issue in hall (1st floor)
- New Wi-Fi access points were installed
- Completed was inventory audit
- New Geologist was provided with hardware and software
- Prolonged was google subscription for Greenfields accounts
- Tested and accepted equipment of resigned personnel
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

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

- 72 MRs & SRs Received;
- 100 POs and SOs prepared in SUN System;
- 5 MR canceled/oh hold;
- 2 MRs & SRs passed to Contract/Tender;
- 42 MRs & SRs under sourcing stage.

**Tendered Contracts under process – 1**

- BEOCL 10178 Construction of Seaport

**Number of Valid Contracts**

- OPS – 29 (3 services contracts for empl.);
- WO/LOG – 24 (9 services contracts for empl.);
- Construction - 22;
- HSE – 16 (including 1 service contract for empl.);
- G&G – 12 (incl. 2 consultancy contracts & 2 internship program);
- ADMIN – 16
- HR – 5;
- ITC – 13;
- Legal – 17;
- Finance – 3;
- Procurement-15
- Logistics -- 61 (including 14 service contract for bus drivers; 24 – compulsory insurance; 1 – operator of 60t crane; 1 – rigger; 3- minibus driver; 1 vacuum truck driver )
- WH - 2

Number of addendums/extensions – 12

Termination of agreements - 0

**Materials and Handling Department:**

- **4,751,190.00 kg** handled without incident;
- Handling division received 229 materials transfer request
- WHS received **62 PO's, 199 line items** for the amount of **AZN 392,919.53**;
- WHS issued **446** line items for the amount of **AZN 2,308,518.60**;
- **46** NCR's raised; **11** NCR's was closed;
- Fuel station received **390,176.00** Liter of Diesel;
- Fuel station issued **301,848.00** Liters of Diesel;

**Fuel balance at May 1, 2022, is 138,245.00 Liters;**

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