

BAHAR ENERGY OPERATING COMPANY LIMITED

Monthly Report

July 2022

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

Summary: HSE:

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

Monthly Safety statistics (Lagging indicators)

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	89632	0	0	55
February	0	79032	0	0	44
March	0	91343	0	0	59
April	0	84682	0	0	58
May	0	89885	0	0	51
June	0	83030	0	0	53
July	0	77358	0	0	61
Total	0	594962	0	0	381

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

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

HSE Activity

- HEALTH:

- Daily monitoring of COVID-19 vaccination status of BEOCL employees was carried out by HSE department. 527 employees (100%) received 1st dose, 527 employees (100%) received 2nd dose, 454 employees (86.5%) received 3th dose, 6 employee received 4th dose vaccine by the end of July.
- HSE department has been taking preventive disinfecting actions in the BEOC work places against potential Corona Virus infection.
- HSE department performed weekly disinfecting of the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer regularly control and filled by HSE representatives at the BEOCL premises.
- 65 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.
- 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 75 newcomers/ visitors.
- In accordance with Local Regulation the Health and Safety knowledge evaluation of 5 BEOCL technical and engineering employees was carried out.
- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspection was completed and reported. Firefighting water pump was tested at the Oil Process and Transportation field.
- Fire water poles were inspected, valves, taps and heads were serviced, each water pole was numbered, and a monthly inspection tag was hung on it and registered for control.
- Firefighting boards were inspected and registered. Missing firefighting tools (shovel, axe, link, bucket, etc.) on the fire boards were provided /completed.

- ENVIRONMENT

- Environmental Statistics for Month/Annual

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

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (24 m3) was disposed through Hovsan Sewage treatment plant.
- AR Ministry of Ecology and Natural Resources Caspian Complex Environmental Monitoring Administration (CCEMA) took samples of produce water for analyses (Q3) the amount of oil hydrocarbons in the produced water from discharged point into the sea.

Inspections from enforcement agencies, shareholders & third party:

Ecological monitoring (on 13-14.07.2022) of BEOCL operation fields was completed by AR Ministry of Ecology and Natural Resources Caspian Complex Environmental Monitoring Administration (CCEMA) with SOCAR ecological Department inspectors.

Outstanding non-conformities recorded by: & percentage of completion

Issued on 18.02.2022 -State Fire Control Service – 55%;

Issued on 30.06.2022 -State Agency for Safe work in Industry and Mining Control – 58% ;

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

Issued on 14.07.2021 - SOCAR Upstream – 55%;

Issued on 06.05.2022 -Industrial Safety Department of SOCAR – 100%.

Training and other activities:

- As a part of HSE Assurance Plan 2022 Safety Stand down Meetings were conducted at the BEOCL worksites in the following topics in July:

“Line of Fire” for 36 employees.

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

Production year to date is shown in the table below:

OIL and GAS Production 2022 Budget and Actual																	
Jul-22	Oil Shipped to sales Point Actual ton/day	One ton equal to barrel	Oil Shipped to sales Point Actual BOE	Oil Production Actual ton/day	Actual BOE for Oil	Oil Production Budget ton/day	Budget BOE for Oil (equal to barrel 7.4)	Gas Production Actual m3/day	Gas Production Actual scf/day	Gas Delivery m3/day	Gas Delivery scf/day	Gas Delivery BOE	Gas Production Budget m3/day	Gas Production Budget scf/day	Budget BOE for Gas	Total Actual BOE	Total Budget BOE
January	71	7.47	528	70	521	93	685	460,294	16,255,283	437,234	15,440,919	2,778	713,541	25,198,700	4,533	3,306	5,218
February	72	7.48	535	73	546	105	777	504,296	17,809,213	478,309	16,891,482	3,039	790,583	27,919,439	5,022	3,574	5,799
March	78	7.51	582	82	613	100	740	500,733	17,683,386	478,175	16,886,750	3,038	771,878	27,258,872	4,904	3,620	5,644
Q1 Average	73	7.49	549	75	560	99	734	488,441	17,249,294	464,573	16,406,384	2,951	758,667	26,792,337	4,820	3,500	5,554
April	40	7.51	302	61	460	102	753	580,722	20,508,197	539,801	19,063,072	3,429	805,741	28,454,743	5,119	3,731	5,871
May	65	7.51	486	58	439	99	734	594,412	20,991,660	538,360	19,012,183	3,420	814,953	28,780,065	5,177	3,906	5,911
June	77	7.48	576	63	471	100	737	581,241	20,526,526	523,219	18,477,479	3,324	859,693	30,360,058	5,461	3,899	6,198
Q2 Average	61	7.50	454	61	457	100	741	585,458	20,675,461	533,793	18,850,912	3,391	826,796	29,198,289	5,252	3,846	5,993
JULY	60	7.45	447	56	416	97	718	619,257	21,869,061	559,705	19,765,982	3,556	846,288	29,886,661	5,376	4,002	6,094
AUGUST																	
SEPTEMBER																	
Q3 Average																	
OCTOBER																	
NOVEMBER																	
DECEMBER																	
Q4 Average																	

Production – Gum Deniz

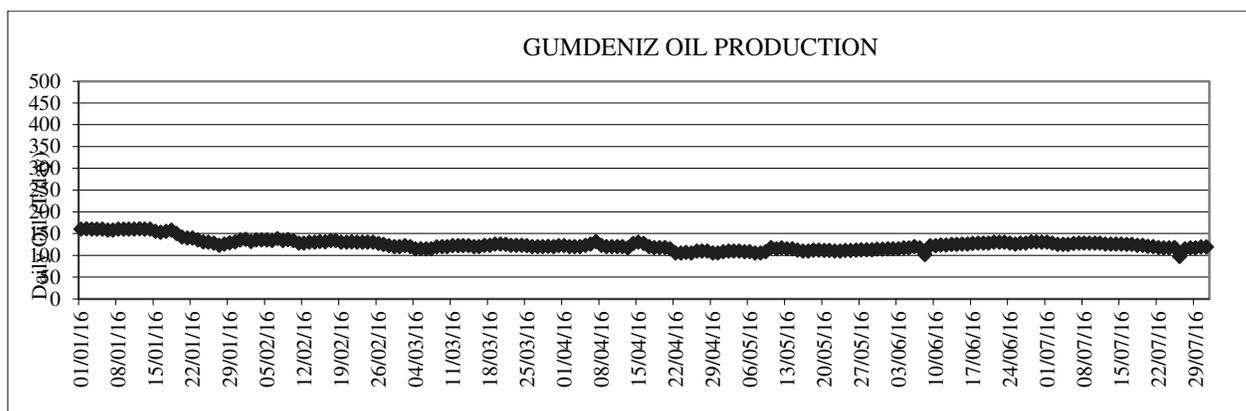
- Production rate of the Gum-Deniz field averaged 56 tons/day. Delivery 60 tons/day.
- During the period covered by the report, we did not have any solution gas deliveries, the volume of gas needed for oil processing and domestic demand of compressors was 2,635,000 m3 (85,000 x 31).

The chart below shows the reasons for decrease in oil production

Oil Production Rate Differences Between June and July 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	
June 2022	2	2	0	0	4	16	3	0	2	0	3	5	0	0	0	3	7	0	0	0	3	2	2	4	6	4	5	4	1	0	7	4	0	90	
July 2022	1	2	0	0	3	15	3	0	6	0	3	4	0	0	0	1	6	0	0	0	3	1	2	3	6	2	3	6	1	0	6	3	0	81	
Difference																																			
																																			-9

- SGD-430 well was handed over to workover due to the failure of the ESP belonging to Schlumberger. New ESP was installed and the well was put on production.
- SGD-413 well was handed over to workover due to producing only water. The workover is ongoing.
- GD-058 well was handed over to workover due to producing only water. The workover work was completed and the well was put on production using gas-lift method.
- GD-203 well's workover operations are ongoing.
- GD-474 well's workover operations are ongoing.
- GD-351 well's workover operations have started and are ongoing.

Year to Date Production: Gum Deniz



Production – Bahar

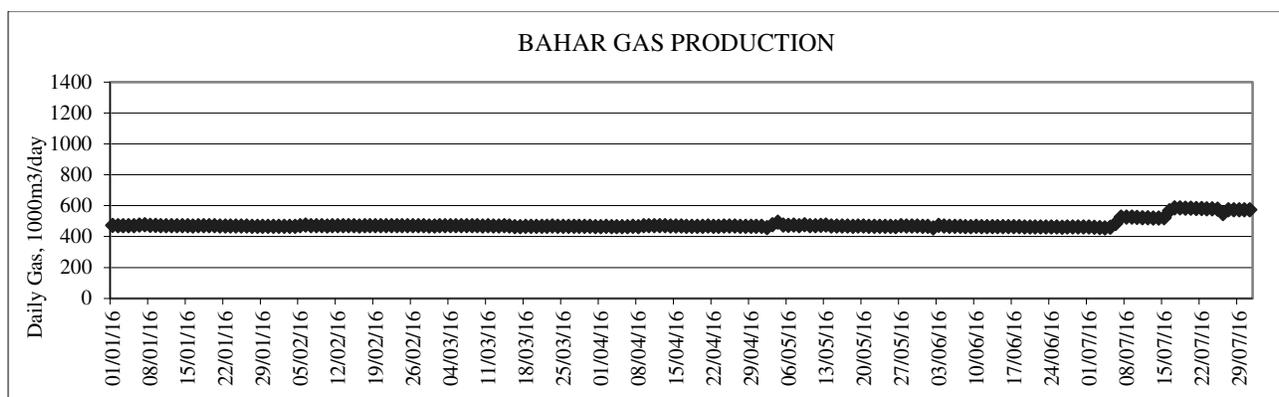
- Bahar daily gas delivery realized as an average of 559 705 m3/day
- Gas delivery was 19.77 MMcfd.
- The chart below shows the reasons for gas delivery increase.

Gas Production Rate Differences Between June and July 2022															
Date / Well#	83	140	144	165	167	169	170	171	175	179	182	205	206	241	Total, x1000 m3
June 2022	22	38	0	139	0	0	111	1	71	70	1	19	64	40	576.0
July2022	33	37	0	108	0	110	103	1	69	67	1	19	44	44	636.0
Difference															60.0

- Workover operations in well No.169 on PLT.168 of the “Bahar” field were completed and well was put on production.
- Workover operations in well No.167 on PLT.168 of the “Bahar” field are ongoing.
- Workover operations in well No.74 on PLT.70/106 of the “Bahar” field are ongoing.
- Workover operations in well No.144 on PLT.048 of the “Bahar” field are ongoing.
- Workover operations in well No.190 on PLT.065 of the “Bahar” field have started and are ongoing.
- The construction crew have started the repair of the PLT.9/129 of the “Bahar” field.
- The construction crew were moved to PLT.077 of the “Bahar” field and the construction work has started.

During the period covered by the report, “Shikhlinskiy”, “Shirvan” and “Atlet” type crane vessels didn’t provide services.

Year to Date Production: Bahar



Additional Production Works:

- The "**Closed System**" project designed to prevent the environmental pollution by the formation water discharged from the technological tanks at Oil Processing and Delivery Field is being continued by the "Construction Department".
- The 5,000-meter tank, which collects groundwater from the 5,000-meter area in "Oil Processing and Delivery field", has been prepared for repair work and waiting for construction crew.
- Medium repair and reconstruction work on GMC No.6 in CS-1 was completed. A test run was done on the machine and the results are considered to be satisfactory.
- The work of relocating the gas/liquid measurement junction in PLT470 belonging to the "Gum-Deniz" field is ongoing.
- "Gum-Deniz" field, due to the liquidation of GDU on causeway PLT 450, 3pcs 2.5" gas lift lines were laid from causeway PLT9 to causeway PLT450, and coordination works are ongoing by the construction division.
- The construction of the OGSU-2 Separator park, designed for separation and delivery of the "Bahar" field's gas to the Gas Export Department in order to increase the quality of the natural gas produced by the "BEOCL" Company, continues.

July 2022	
Name of the operation	Completed Operations
Hot Light Oil and Diesel Operation in wells	12 (8 wells)
Fluid level survey	67 (17 wells)
Sulfanol treatment in wells	1 (1 wells)
Salinity measurement in wells	96 (30 wells)
Soap stick application in gas wells	-

IV – CONSTRUCTION: Reported by Panah Mammadov

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz, Causeways	In order to re-commission well No. 005, located on location 470 in the island area, which has been out of operation for a long time, temporary put on hold re-installation and connection of "GSU", "Fluid Measurement" junction and "Household gas" separator located in the area preparation of details in the workshop for laying lines.	In progress
2	CS, OGSU-2	Preparation and welding of details of BEOCL's natural gas, re-installed metering junction and input and output lines of 2 new separators for laying of 35 mm gas pipeline from Oil and Gas Extraction Company named after 28 May to Gas Export Department have been completed. In addition, the installation of bridges, service areas over valves and pipes.	In progress
3	Gum-Deniz, Causeways PLT9	Installation of a platform due to spot change of the unit PQ13 located in between the crossroad and PLT9. Initial stage of the build has been completed by metal construction and welding works. Next, the side walls of the building are being constructed.	In progress
4	CS, OGSU-2	On the basis of the project, Representation of BEOCL in the Republic of Azerbaijan, Reconstruction of the separator system in order to improve the quality of sales gas from the "Spring" field in OGSU2. Installation of 6 new separators and coordination between them.	In progress
5	Gum-Deniz, Causeways, in between PLT235-64	"Gum-Deniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the platform and pipes.	In progress

Bahar field			
1	Bahar, offshore oil&gas collecting Unit No2	The project continues to install 12" fluid and gas lines and supports along the existing bridge direction. Expansion of the existing comb separator area in the south-western part of the working area. Reinforcement of lines from wells in the southern part of the existing work site and installation of a 6x13m size service area. The installation of comb separators and pipe-fitting joints, manufactured and delivered from the workshop, has been completed on the newly installed panels. Connecting new lines with existing lines and laying a new technical water line.	Work has been temporarily suspended
2	Bahar, PLT-65	In order to prepare for the WO of wells 187, 189, 190 and 191 located in the "Bahar" field, PLT 65, and the repair work to be carried out. In the western part of the platform, 8x10x40m metal plates were installed in the area intended as living block. Currently wells 187, 189, 190, and 191 are ready for WO.	In progress

3	Bahar, PLT-9/129	Installation of metal panels and repair/construction works of PLT 9/129 in connection with WO of wells 129; 9; and 45.	In progress
4	Bahar, PLT 48	Preparation of well No145 for WO in PLT48. Installation of a sliding section on the north and south sides of the metal plate to slide the derrick over wells 144 and 145 has been completed. Assembling of the underrotor supports of wells 145 and 146 and the area around the wells had been completed. The installation and fastening of the new MM in the eastern part of the residential block has been completed.	In progress
5	CS, offshore oil&gas collecting unit No1	Carrying out works to increase the durability of existing lines and connecting bridges in offshore oil&gas collecting Unit No1.	In progress.
6	Bahar, PLT 77	As the first stage of PLT 77, in order to prepare the well 77 for WO: the base preparation in order to install metal panels and the replacement of piles around the well and under the rotor.	In progress
7	Bahar, PLT-70/106	BH 70/106 sayılı DSP-da yerləşən 74 sayılı quyunun əsaslı təmirə hazırlamaq məqsədilə, aparılacaq təmir-quraşdırılma işləri. Quyu və mövcud məhsul xəttinin əlaqələndirilməsi və manifold xəttlərinin quraşdırılması işlərinin aparılması . 65sayılı DSP-da gələn 8"məhsul xəttinin gücləndirilməsi və əlaqələndirilməsi işləri. Repair and installation works to be carried out in order to prepare for the WO of well #74 located in PLT70/106 "Bahar" field. Connection of wells and existing production lines and installation of manifold lines. Reinforcement and coordination of 8" production lines from PLT65.	In progress

Additional works

1	In the hangar No. 1 of the central warehouse area, the installation of shelves for the collection of goods and materials has been completed. Next, work is underway on the 3rd hangar. Assembling and commissioning of 15pc shelves are completed. Work is underway to assemble the shelves of the 4th hangar.	In progress
2	The construction of a hangar for storing chemicals near the hangars belonging to the central warehouse on the island has been completed, as well as the installation of 2.5-pipe trusses and inter-farm wooden shafts. Preliminary preparations for the installation of corrugated sheet metal.	In progress
3	"Gum-Deniz" field, in different parts of the causeway, in accordance with the work plan of AFE 70-1-007-01-22Ç TS-01-22-07 dated 07.01.2022, designed for the repair of emergency supports. Driving and connecting the supports at PLT No.9.	In progress
4	Installation of 16"-12" inlet and outlet lines of oil trap, 6" drainage lines and piles for the pump to be installed and connection lines in Oil Processing and Delivery Field.	In progress,
5	Welding and installation works at Gas Processing and Delivery Field CS-2 were completed by replacing the 20" unusable salt water pipes with 16" new pipes.	Completed

6	Centering and fastening of the tubing head and replacement of the working area around the well with new metal sheets are carried out in order to prepare the well No. 441 at PLT 208 for WO.	In progress
7	Reconstruction of the concrete foundation of 8NDV type water pump No 3 located in the pump house of CS-1 of "Gas Processing and Dehydration Field".	In progress
8	"Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the pipes. Lifting of sub-rotor piles around well 352 and connection to existing panel.	In progress
9	In order to relocate the physico-chemical laboratory to the auxiliary building located on the island Carrying out of planned repair-construction works.	In progress
10	In the "5,000" area of the oil processing and delivery field, work has been completed to clean and repair the bottom sediment and deformation of some parts of the formation water trap. Carrying out repair work based on the defect act.	In progress
11	Driving and connecting 16" piles for the purpose of relocation of methanol tanks and installation of a new pedestal in the Gas Dehydration Unit. Next, laying the connection lines using 2" pipes.	In progress
12	Installation and welding works of 12" flange-pipe and 12" flange on 20" pipe prepared in the workshop for the cleaning of sediments in the 20 "liquid line along the causeway between causeway Island-PLT66 has been completed.	Completed
13	Welding of 2.5" gas lift lines and elbows laid between causeway PLT9 and PLT450 in connection with the relocation of the Gas Distribution Unit.	In progress
14	Installation and welding of a new 6m ³ water tank in operation of V-16 type pumping unit belonging to the heavy transport sector has been completed.	Completed
15	Cutting and welding works on the inlet and outlet lines during the overhaul and reconstruction of Gas compressor machine No6 at CS1 has been completed. Next, overhaul and reconstruction of Gas compressor machine No.6 are continued.	In progress
16	Carrying out the repair works on the protection parts and increasing the stability of the cooling fins of the AVZ type engine intended for the cooling system in Gas Processing and Delivery Field CS No.2.	In progress
17	Carrying out leak elimination works at: 630mm formation water line in the area of oil processing and delivery field; 700mm gas line to OGSU No.2 in gas processing and delivery field; 2.5" gas line of well No.6 in PLT No.460; and 6" and 4" salt water line in the Causeway area.	In progress
18	De-assembly of "UPT-1-50" type PU device installed at causeway PLT2 and moving it on the wells No 203,716, 297, 372 with the help "Hydraulic-Tower Sliding Jack" set.	In progress

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

Bahar WO's

- BHR 074 - Continued with uphole recompletion by perforating at the intervals 3900 - 3897m, 3894 - 3886m HOR VII with purpose of to pierce 3-layer casing slots - no flow. Uphole completion execution at Hor. VI by perforating at 3859-3855m intervals are ongoing...
- BHR 144 – Continued with uphole recompletion by perforating at the intervals 3710-3707m and 3704-3702m HOR VII-no flow. Uphole recompletion executions at HOR V by perforating at 3642 - 3635m intervals are ongoing...
- BHR 169 – MU and RIH w/ 3-3/8" TCP vs 5-1/2" 20-23# MAPSET Packer BHA, 3824.19m. Mapset Packer set at the 3819.12m. Recompleted the well at HOR VI 3848-3840m perforated intervals. POP.
- BHR 167 – Released the Packer and completed POOH PS. GR/NGR logging jobs at 3725.30 - 3610m by SGGI. RIH w/ 115mm TM vs L-Calibrator BHA to ream the tight spots and drift the wellbore. Ongoing...
- BHR 190 – Cleaned wellbore till 3861.44m. No more penetration due of poor rotation, POOH Ongoing...Planning to continue the task with slim hole Drill Pipes..

Gum Deniz WO's.

- GD 058 – Stopped producing the well due to water cut at 3340-3350m. POOH the PS. Poured the sand sand top at 3360m by covereing target production zone. Preparing the well for SmartSet isolation jobs after leak off test.
- GD 474 – Drilled the cement plug, no more progress POOH w/ Work String from 2086.32m – left in a hole JM BHA w/ broken body of Drill Pipe. RIH STD Realising Spear BHA, 2061m. Observed sand and mud continuous income - POOH. Will continue with preparing the cased hole for washpipe and special fishing tool-Moved crew to the well # G203.
- GD 203 – Milling the fish-Permanent Packer BHA at 2121.75m. Ongoing...
- GD 447 – Workover / Cleaned the wellbore down to 2428m and POP with GLV system. Perforated at the intervals 2391-2388m thru the Production String.. POP...
- GD 477 – Wellservicing / POOH ESP ASSY. RIH with 122mm Tapered Mill BHA, to clean and drift the cased hole. Ongoing...

South Gum Deniz WO's.

- GD 413 – Well servicing / Replaced tubing string and ESP power cable – POP with ESP ASSY at 1682.33m

Stopped producing the well due to water cut at 2937-2930m. POOH w/ ESP ASSY - Production String, Pouring sand to isolate producing zone lower than 3514m. Willcontinue with leak off test of 2937-2930m for possible isolation jobs.
- GD 430 – Well servicing / Replaced tubing string and ESP power cable – POP with ESP ASSY at 1681.75m.

Out of Field report.

- Continue coordinating orders regarding equipment:
 - Power Swivel Unit – 1 sets.
 - Skid base Triplex Slurry Pump – 2 sets.
- Continued coordinating with “ADO-G” regarding redness of 28m Derricks for upcoming plans at Gum-deniz and Bahar field.
- Coordinated with “IDS” Company for 3rd – 4th 120 tonners Drawworks redness.
- Updated WO RIG SCHEDULE and continued with preparing of Workover Budget for 2023.
- Prepared “Shirvan and Shiklynsky” crane-vessels plan.
- Prepared AFE’s for continued ops.
- “End of Wells” report has been prepared and submitted.
- Service company’s rental act, SGGI’s monthly operations act and contractor’s other services act were prepared with coordinating related groups and submitted accordingly.
- Implementing and executing repair and maintenances programs for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with the Procurement team.

Monthly / Annual Workover Statistics

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	8	2
February	9	3
March	8	2
April	16	8
May	8	5
June	12	6
July	13	3
Total	74	29

Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 074	Fishing / Re-completion	40-2-074-01-21	318M	365M	47M \$

			\$	\$	
BHR 144	Uphole re-completion	40-2-144-01-22	238M \$	164M \$	-74M \$
BHR 169	Uphole re-completion	40-2-169-01-22	36M \$	84M \$	48M \$
BHR 190	Re-activation	40-2-190-01-22	65M \$	286M \$	221M \$
BHR 167	Re-completion	40-2-167-01-22	40M \$	196M \$	156M \$
GD 203	Fishing / Re-completion	40-1-203-01-21	100M \$	42M \$	-58M \$
GD 447	Re-completion	40-1-447-01-22	26M \$	30M \$	4M \$

Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 474	Fishing - Lower zone re-completion	138M \$
GD 413	ESP replace	22M \$
GD 058	Well service	107M \$
GD 430	ESP replace	68M \$
GD 477	Well service	45M \$

Well operations heavy equipment report

Well operations heavy equipment field 2022 July					
Work Description	Number	Work hours	Engine Hours	Repair Hours	Mileage km
TRF	10				
Pulling units and Taw tractors used at Workover Workshop	14	928	928	150.5	
Stationary type pump unit (V-12)	1	44	44	12	
Stationary type pump unit (V-16)	1	123	123	32	
QBQ-120	4	530.5	530.5	20	
QBQ-160	1	328.5	328.5	0	
Mobile (two-part) ADPM unit	1	4	4	43	

Cementing Pump Trucks serving BEOC Departments	12	3156	488.5	30	28
Steam Unit Transportation field	1	56	7	14.5	19
Fire trucks of Transportation field	4			0	
Transportation field - Added repairs	4			40	
Number of trucks put into operation after long-term repairs					

V- SUBSURFACE: Reported by Alamdar Useynov

Workover Programs prepared

- GD-447** Log GR/CCL , perforate with 51 mm tubing guns @ 2391-2387m at horizon VII. POP (1st program). Check TD. If there is a sand plug, clean till 2440m. Run 2 7/8" tubing with gaslift valves. Log GR/CCL perforate with 51 mm tubing guns @2391-2388 m at horizon VII (2nd program).
- B-074** Set BP at 4020 m and put on cement liquid with GGI. Run 86 mm TCP guns with mapcet packer at the end production string within perforatio zone at 3900-3897m, 3894-3886m at horizon VII. Coorolate packer setting and TCP guns depth.
- B-144** Set BP at 3720m and put on cement liquid with GGI. Run 86mm TCP guns with mapset packer at the end production string within to 3710m. Coorolate packer setting and TSP guns depth. Drop detonator bar. Perforate 3710-3707m(3m), 3704-3702m(2m). Put the well of production.
- GD-413** RİH special mill set artificial sand plug at 3510m. Perform feed rate test, if there is a adsorbtion, then cement squeeze at 2930-2937m and drill out additional cement. Clean from 3510-3554m. Run 1680m 2 7/8" tubing with ESP.

Wells logged/re-logged

B-169 GR/CCL (2)
B-074 GR/CCL (2)
GD-447 GR/CCL

Wells completed

- B-074 Fishing/Recompletion. Ongoing.** Perforated 3900-3897m, 3894-3886m at horizon VII. No flow. Actual cost is 318 M \$.
- B-144 Uphole Recompletion. Ongoing.** Due to casing damage decided to perforate uphole potential intervals 3710-3707m, 3704-3702m intervals at horizon VI. Expected natural gas rate is 30 Mm3/d from horizon VI. Actual cost is 238 M \$.

3. **B-169 Uphole Recompletion.** Perforated 3848-3840m at horizon VII. Well produces 100Mm³/d natural gas, 1.5 m³/d liquid with 25% water cut from horizon VII. Actual cost is 36 M \$.
4. **B-190 Recompletion. Ongoing.** Expected natural gas rate is 70 Mm³/d from horizon X. Actual cost is 65 M \$.
5. **B-167 Recompletion. Ongoing.** Expected gas rate is 24 Mm³/d from horizon VI. Actual cost is 40 M \$.
6. **GD-203 Fishing / Re-completion. Ongoing.** Completed mobilization and RU jobs. Cleaned wellbore till 2121.75 m. Expected oil rate is 4 ton/d from horizon VIII. Actual cost is 100 M \$.
7. **GD-474 Fishing-Lower zone re-completion.** Completed preparations. Crew moved to GD-203. Expected 15 tons/d oil from horizon X. Actual cost is 138 M \$.
8. **GD-058 Well Service.** POOH PS, cleaned and circulated. Expected oil rate is 4 ton/d PK horizon. Actual cost is 107 M \$.
9. **GD-430 Well Service/ESP replace.** Well produces 4 tons/d oil, 260 tons/d wter and 1000 m³/d soution gas. Actual cost is 68 M \$.
10. **GD-477 Well Service.** Expected 3 tons/d oil rate from horzion X. Actual cost is 45 M \$.
11. **GD-413 Well Service/ESP replace. Ongoing.** Well produces 4 tons/d oil, 260 tons/d water and 1000 m³/d solution gas. Actual cost is 22 M \$.
12. **GD-447 Recompletion.** Perforated 2391-2399m at horizon VIII. Well produces 2.5 tons/d oil, 16 tons/d water and 30 Mm³/d solution gas. Actual cost is 26 M \$.

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

Interpreted logs from GGI:

Geology

Reservoir Engineering

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

July 2022 Planned and Fact Production Comparison			
	Plan	Fact	Achieved
Oil and Condensate, tons	3018.468	1730.354	57%
Free Gas, Mm³	26234.928	19196.964	73%
Solution Gas, Mm³	3745.705	1151.149	31%

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 Jun-22 accounting cycle in accordance with the monthly schedule.
According to JOA issued Jun-22 Monthly reports to Contractor Parties.
According to JOA Jul – Aug-22 Cash Calls distributed to Contractor Parties.

Issued Jun-22 Additional Monthly reports to Contractor Parties.

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

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

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

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

Legal, Compliance, Document Control & Translation issues

- Contractual drafting and review work continued working on various contractual documents;
- Export oil pricing issues was reviewed, legal analysis was conducted and necessary communication was maintained with SOCAR Marketing;
- Cooperation was maintained with SOCAR Upstream and required information and documents were provided a letter was addressed on deemed approval of Revised ADP and Relinquishment of Bahar-2;
- Letters were addressed to SOCAR on meeting with Acting SOCAR President;
- Visit was made with the required documents to the Tax Crimes Investigation Department with respect to the case of one former vendor;
- CMC meeting was attended and necessary documents and information was prepared accordingly;
- Draft TSA Policy was prepared;
- Draft MSA for TSA was prepared and sent to SOCAR Upstream for Drilling Engineer related discrete services;
- Cooperation was maintained with law-enforcement agencies with respect to grenade and fishing boat revealed in the area;
- Liaison activities with Surakhany Mayor's office and other government authorities, including security forces continued;
- Participation was ensured in Azerbaijan Ethics and Compliance Network sessions and activities;
- Necessary internal orders were drafted/reviewed and commented;

- Rep Office's different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation; JAFZA renewals and other activities were carried on;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

HR issues

- Use of the outstanding vacations was monitored.
- Employment Agreements were signed with 6 new employees.
- To be expired contracts were followed up and management was updated.
- Overall 379 HR related operations have been made through this month.
- Organizational structures have been updated as per last changes.
- 154 vacations and 22 bulletins have been written and entered to the HRB system.
- Review and revisions of current job descriptions were ongoing.
- Review of employee personal files continued.
- Meetings were held with HRB system provider to discuss issues related with software.

VIII– ADMINISTRATION & SECURITY: Reported by Ahmadiyya Musayev

- Water meter readings are monitored:

○ Gascompressor	28.06-01.08.2022	673.00m ³
○ Water distribution point	01.07-31.07.2022	1046.00m ³
- The gas meter reading is monitored:

○ Access Control Point #1	28.06-01.08.2022	15.97m ³
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- 26 new air conditioners were purchased on 24.06.2022:

○ June: 26-2	▪ 2 ea 45m ²
○ July: 24-13	▪ 1 ea 80m ²
	▪ 3 ea 45m ²
	▪ 9 ea 30m ²
- Defect acts were prepared for Fixed assets unusable;
- Goods and materials required for the repair of household equipment were purchased;
- Stationery orders for 1st and 2nd quarter stopped, the stationery available in the Warehouse is used sparingly;
- 30 ea new seats for conference hall, and 8 ea seat for waiting ordered, was prepared MR;
- An automatic valve (fujer) ordered for the boiler house, was prepared MR;
- On the monitors are showing oil and gas production and the success of the country and the company;
- Orders for curtains and door panels have been suspended;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out, inspection of the rooms and offices, supervising the cleanliness and tidiness of the offices, rooms and around the main office was performed;
- Water transportation is controlled at the water distribution point;
- Greenery is maintained by a gardener.

- Different types of food are cooking for employees every work days in canteen.
- 65 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

Security& Civil Defense activities

- 250 one-time permissions were issued for 158 person and 190 vehicles entered to BEOC premises based on the requests received.
- Records in the log book of 1015 employees who left for Bahar (working per shift) were maintained and their availability at work was checked during the current month.
- Deployment of employees (working on shifts) to Bahar field on vessels was accompanied on 04,05,08,13,16,23,26,27 days of current month by the Department's rescue-diver personnel.
- 3 letters were sent to Avtandil Aqayarov, the Chief of " Tornado-S " LTD, in order to get permission certificates for 323 employees and 47 special vehicles to be able to enter the "BEOCL" area, according to terms of the contract.
- T-cards control was carried out per the established procedure.
- Civil defense related activities continued per the approved plan.

Information Technologies

- Within July was no disruption in ICT dept.
- 75 helpdesk requests were processed
- Necessary changes have been made in the WOI department
- Tarlan Aliyev in Oil processing and delivery field was provided with computer and email
- Failed printer in Compressor station office was replaced
- Tested and accepted equipment of resigned personnel
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

IX– PROCUREMENT & MATERIALS: Reported by Rasul Gafarov

Procurement Department:

- 80 MRs & SRs Received;
- 65 POs and SOs prepared in SUN System;
- 3 MR canceled/oh hold;
- 38 MRs & SRs passed to Contract/Tender;
- 36 MRs & SRs under sourcing stage.

Tendered Contracts on hold – 1

- BEOCL 10178 Construction of Seaport

Number of Valid Contracts

- OPS – 33 (3 services contracts for empl.);
- WO/LOG – 54 (38 services contracts for empl.& 1 consultancy contract);
- Construction – 34 (inc 12 service contracts for empl);
- HSE – 21 (including 1 service contract for empl.);
- G&G – 11 (incl. 3 consultancy contracts);
- ADMIN – 17 (including 3 service contracts for empl.)
- HR – 4;
- ITC – 14;
- Legal – 17;
- Finance – 3;
- Procurement-16
- Logistics -- 61 (including 14 service contract for bus drivers; 24 – compulsory insurance; 1 – rigger; 3- minibus driver; 1 vacuum truck driver)
- WH - 2

Number of addendums/extensions – 8

Termination of agreements - 2

Materials and Handling Department:

- **2,629,873.00 kg** handled without incident;
- Handling division received 200 materials transfer request
- WHS received **53 PO's, 152 line items** for the amount of **AZN 315,940.19;**
- WHS issued **387 line items** for the amount of **AZN 1,519,817.07;**
- **147** NCR's raised; **29** NCR's was closed;
- Fuel station received **0.00** Liter of Diesel;
- Fuel station issued **30,064.00** Liters of Diesel;
- Fuel balance at August 1, 2022, is **80,741.00** Liters.

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