

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

October 2021

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during October 2021 is below:

a) Health Safety and Environment:

- No any incidents or spills were recorded in October. BEOC TRIR is 0.17 at the end of October.
- 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 637 employees received their 1st dose and 560 employees received 2nd dose vaccine by the end of October.

b) Production:

- Oil production was 504 Bopd, up 7 Bopd from September 2021, due to ongoing well maintenance.
- Gas production was 15.8 MMcfd, which was down 1.0 MMcfd from September production due to natural field decline and a drop in flowing pressure the B144 B169 wells.
- BEOC also utilized 3.9 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressure, which required additional compression fuel.
- Total production of 3,322 BOE/d in August was 39 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.

c) Workovers:

- In Gum Deniz, workovers in the GD038 continue with the GD716 and GD 479 wells completed and returned to oil production.
- In Bahar, well BH 165 and 206 continued fishing and recompletion activities. Work is starting on BH106 on Platform 74. Good progress continues in the milling and fishing operation.

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. Preparing the location on the Gum Island for the workover of the GD 058 well.

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 was completed and it has been reviewed with SOCAR Upstream.

f) General Management

- The Bahar CMC meeting occurred on 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.

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

a) Summary: HSE:

- No any incident was recorded in October.
- TRIR is 0.17 by the end of October.

b) Monthly Safety statistics for October 2021

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	120243	0	0	39
February	0	108897	1.84	1	40
March	0	131328	0	0	58
April	0	121035	0	0	64
May	0	118062	0	0	56
June	0	109240	0	0	57
July	0	108323	0	0	50
August	0	102113	0	0	55
September	0	105311	0	1	45
October	0	103646	0	0	53
Total	0	1128198	0.17	2	517

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. 627 employees got their 1st dose and 560 employees got their 2nd dose vaccine by the end of October.
- 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 weekly disinfecting the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer regularly controlled and fulfilled by HSE representatives at the BEOCL premises.

- 86 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

- SAFETY:

- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 10 newcomers/ visitors.
- In accordance with Local regulations the Health and Safety knowledge evaluation of 4 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 pumps were 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
September	0	0	0
October	0	0	0
Total	0	0	0

- 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 in October:

“Fire preventing and extinguishing guidance” for 29 employees

“Permit to Work procedure” for 2 employees.

“Safe welding and grinding operations” for 21 employees

“Working at height” for 24 employees

“Safe and correct usage of PPE and CPE” for 29 employees

Total participants were 105 workers.

II - PRODUCTION / OPERATIONS: *Reported by Ahmad Hajiyev*

OIL and GAS Production 2021 Budget and Actual																		
Oct-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	67	7.43	496	67	497	82	609	545,164	19,252,467	3,463	480,417	16,965,926	3,052	834,000	29,452,710	5,298	3,548	5,907
Q3 Average	75	7.43	557	73	544	77	566	574,281	20,280,722	3,648	516,962	18,256,501	3,284	669,667	23,649,278	4,254	3,841	4,820
October	65	7.44	481	68	504	90	666	507,465	17,921,126	3,224	447,207	15,793,115	2,841	747,000	26,380,305	4,746	3,322	5,412
November																		
December																		
Q4 Average																		

a) Production – Gum Deniz

- Production rate of the Gum Deniz field averaged 65 tons/day. Delivered 65 tons/day .
- During the report covering period we haven't delivered any solution gas; the volume of gas used by compressors for internal needs for oil refinery was 3 410 000 m3 (110 000 x 30).

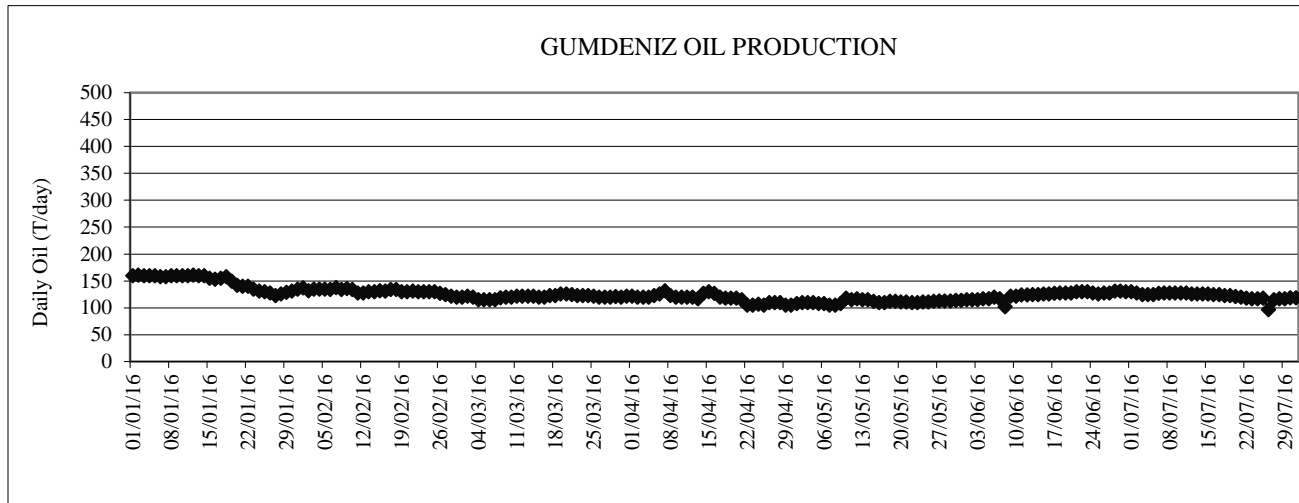
The chart below shows the reasons for the oil production decrease.

Oil Production Rate Differences Between September 2021 and October 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
September 2021	1.1	2.2	0.7	0.0	3.0	10.5	0.8	0.0	3.9	0.0	1.7	3.9	0.0	0.0	0.0	2.7	1.9	0.0	0.0	0.9	1.1	2.0	2.3	3.4	6.0	4.0	4.6	8.5	1.7	0.0	7.2	0.3	0.6	75.0
October 2021	1.1	2.3	0.6	0.0	0.0	15.3	1.5	0.0	1.2	0.0	1.0	4.6	0.0	0.0	0.0	2.5	2.5	0.0	0.0	1.0	1.5	2.1	2.2	2.8	3.1	3.7	4.6	9.2	1.6	0.0	6.8	0.1	0.5	71.7
Difference																											-3.3							

- WOs in the well GD-716 were completed, and maintained;
- WOs in the well GD-479 were completed. SLB ESP RIH, completion carried out;

- In well GD-475, the well was repaired and maintained by gaslift due to the outdated EDN belonging to Schlumberger;
- WO in GD-038 is ongoing.

b) Year to Date Production: Gum Deniz



c) Production – Bahar

- Bahar daily gas delivery realized as an average of 447 207 m3/day
- Gas delivery was 15.793 MMcfd.

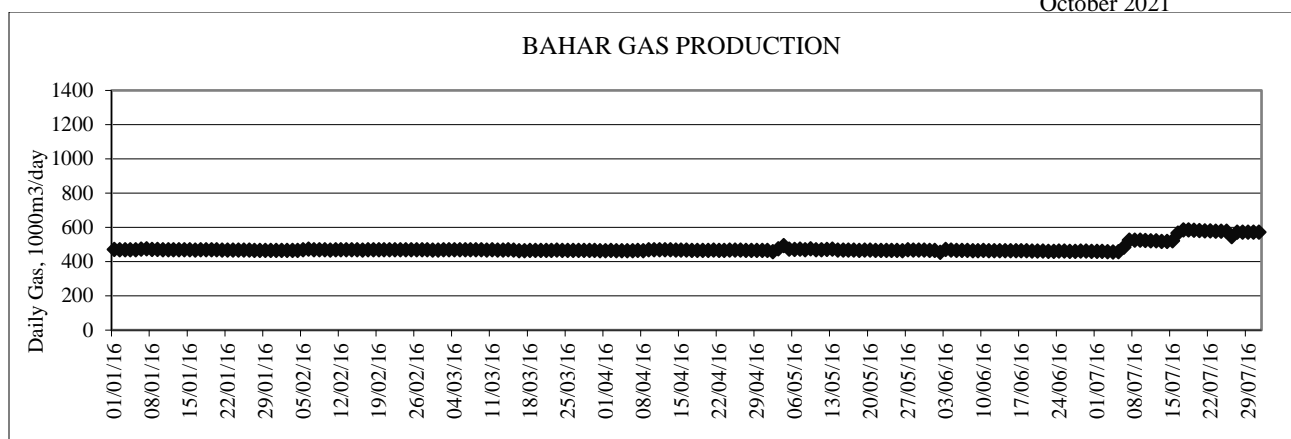
The chart below shows the reasons for gas delivery decreases.

Gas Production Rate Differences Between September 2021 and October 2021													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
September 2021	33	42	20	27	70	110	34	76	75	1	14	42	544.3
October 2021	32	41	1	21	62	108	33	76	75	1	13	41	504.0
Difference													-40.3

- WOs continue in well 165 at PLT168 of Bahar field.
- WOs continue in well 206 at PLT20 of Bahar field.
- Construction crews continue repairs on PLT48 & PLT65 at OGSU.2 of Bahar field.
- WOs in the well 70/106 at PLT74 of Bahar field has started and ongoing.

“Atlet-2” crane vessels have carried out following works during reporting period based on request:

d) Year to Date Production: Bahar



e) 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.
- The construction of the Separator Park for BEOCL's natural gas to be separated and handed over to the Gas Export Department is underway.

October 2021	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	8(6 wells)
Fluid level survey	90(13 wells)
Sulfanol treatment in wells	
Salinity measurement in wells	46(31 wells)
Soap stick application in gas wells	-

III – WORKOVERS: *Reported by: Nurlan Gashamli*

Bahar WO's

-BHR 165 – Milled TOF/LIH tubing string down to 3879.08m. While reciprocation of the string observed sudden drop of string weight. Pulled 3353m of string with parted pin end of Drill Pipe. LIH DP 526m. TOF at 3353m. Fish neck is 98mm DP collar. RIH w/114mm OD 100-78mm catch size Die Collar BHA, tagged TOF at 3353m. Screwed the Die Collar onto the fish, picked up the string, fish ripped off from Die Collar. Increased weight on tool and torqued up to the 4000ft/lbs., screwed Die Collar onto the fish, despite all attempts fish ripped off on each attempt of pull. Decided to POOH and RIH w/Spear BHA.

-BHR 206 – Milled TOF down to 3661.8m. Eventually ROP decreased due to pumping volume and mill worn. Will pull and replace mill and continue milling operation.

-BHR 074 – MU and RIH w/114mm OD Mill BHA, 2402m. Stopped the work due to malfunctions at the gearing system of the drawwork. Drawwork not moving the string. Sailed IDS reps. to PL. Drawwork was inspected, control block of transmission needed to be reset and restored. Disassembled and taken to shore.

Gum Deniz WO's.

-GD 038 – Based on isolation program of HWC zone, successful well intervention was conducted. Prepared and pumped / squeezed 2.5m³ of cement slurry into the well bore with estimation of leaving some amount of cement within the casing to let the formation suck the slurry into the formation. Cement solidified, lowered string, tagged top of cement at 2840m. Milled and cleaned well bore to TD at 2958m. Pressure tested the cemented zone to 70 atm at surface for 15 min, OK. Pulled Mill BHA. Perforated at 2934 - 2940m intervals with 86mm casing guns in two runs. RIH w/GLV PS, landed at 1800m. Put well back online with very satisfied oil rate production.

-GD 479 – Pulled ESP Assy., inspected ESP Assy, Motor fails to rotate normal, possible wear due to sand production, not useful for next run. Checked and confirmed TD at 2450m (sand fill). RIH w/Sand Bailer BHA, tagged TOS at 2464m. Bailed down to 2538m (TD). RIH back w/GLV PS to 2100m. Put well back into production.

-GD 716 – POOH w/ the Production String - GLV system, 2100m. Confirmed PBTD/sand top at 2440m. RIH w/ 93mm STC string, cleaned well, bore down to 2662m, Muddy sand, scale in return. Circulated to clean. RIH back w/GLV PS to 2200m. Put well back on production.

-GD 475 – ESP failed. Derrick moved from G464. Pulled ESP Assy. RIH w/New ESP Assy. Put well back into production.

Out of field report.

- Coordinating with Construction Team redness of location and installation of Rig substructure for G058 Well WO's. Rig substructure was hired from Ilkin-N MMC, moved and installed.
- Coordinating with ADO-G regarding redness of the New 28m Derrick for B191 well at PL065.
- Coordinating with IDS Company regarding redness of the 120tonner Drawwork for B191 well at PL065.
- Optimizing and restructuring the WO and Well operation heavy equipment divisions is underway.
- Released service and purchase request for various type WO Downhole/handling equipment, for current and 2022 WO plan.

a) *Monthly / Annual Workover Statistics*

<i>Month</i>	<i>Workover & Well Service Jobs completed</i>	<i>Number WO & WS Success</i>
January	4	1
February	8	3
March	10	4
April	12	4
May	10	5
June	8	5
July	10	2
August	12	6
September	9	5
October	7	2
Total	92	37

b) *Summary of Workover Activity*

<i>Workover Operations</i>					
<i>Well</i>	<i>Operation</i>	<i>AFE #</i>	<i>Actual Cost</i>	<i>AFE Amount</i>	<i>Difference</i>
BHR 165	Fishing / Recompletion	40-2-165-01-21	160M \$	308M \$	148M \$
BHR 206	Fishing / Recompletion	40-2-206-01-21	115M \$	327M \$	212M \$
BHR 074	Fishing / Recompletion	40-2-074-01-21	18M \$	365M \$	347M \$

c) *Summary of Well Service Activity*

<i>Well Services</i>		
<i>Well</i>	<i>Operation</i>	<i>Actual Cost</i>
GD 716	Replace ESP to GLV system	60M \$
GD 479	Replace ESP to GLV system	69M \$
GD 475	ESP replace	41M \$
GD 038	Well service / remedial WO ops.	96M \$

Well operations heavy equipment field 2021 October								
Work Description	Number	Work hours	Engine Hours	Repair Hours	Mileage km	The amount of work they do		
						Number of trucks / hour	Number of trucks / month	Number of trucks / daily
TRF	77							
Pulling units and Taw tractors used at Workover Workshop	9	588.5	588.5	75				
Stationary type pump unit (V-12)	1							
Stationary type pump unit (V-16)	1			8				
QBQ-120	2	854	854	15				
Mobile (two-part) ADPM unit	1	3	3	3				
Cementing Pump Trucks serving BEOC Departments	11	2796	638	168	41			
Water trucks of Transportation field	3	440	56.5	50	3569			
Other trucks of Transportation field	7	1120	425.1	93	1688.6			
Fire trucks of Transportation field	3			6				
Number of trucks put into operation after long-term repairs								

Number of heavy machinery equipment on rental						4/56	8/monthly	19/75
Monthly Lifting Operations Report								
<u>Oct-21</u>								
Months	Orders		Weight (kg)		Hour			
General	<u>Total: 77</u>		<u>Total:</u>		<u>Total:</u>			

IV – CONSTRUCTION: *Reported by Ahmad Hajiyev*

CONSTRUCTION PROGRESS REPORT FOR October 2021

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz,Causeways PLT2	Repair and restoration works in order to prepare wells No. 351 and 352 located in Gum Deniz, coordination of newly installed 16 "pipes, installation of the surrounding area and the footing of well No. 351.	in progress
2	Gum-Deniz,Causeways	Installation and connection of piles of 10 "pipes in front of Plt 66, for the repair of the vehicle overpass.4 piles were installed and the connection between the piles with 400 mm double beams was completed. Additional piles will be installed in the eastern part of the piles.	in progress
3	Gum-Deniz,Causeways PLT9	"Construction of the platform on the trestle due to the relocation of the PQ-13 between the 4th and 9th EYMs,two 10x10 panels were installed. Work is underway to strengthen the panels and connect them to the existing pier.	in progress
4	Gum-Deniz, PLT2	In connection with the overhaul of wells 203; 297; 716; 504 in EYM No. 2, Laying and installation of UPT-50 hoist between the tower pedestal and the pipe platform between the wells.	in progress
5	Gum-Deniz, Causeway, PLT209	Installation and welding of 10x10x0.6m metal plates 12 and 16 are being carried out at PLT# 209.	in progress
6	Gum-Deniz, Fab.shop	In the "Gum Deniz" area, the installation and welding of the cable winding device used in the repair (lifting and landing process) of wells operated by EDN is carried out in the workshop.	in progress
7	Gum-Deniz,Causeways	Welding of 2.5 "gas lift lines and elbows from PLT 9 to PLT 450 is ongoing.	in progress
Bahar field			

8	Bahar, GZU-2	Work is underway to install 12 "liquid and gas" lines and supports along the existing bridge in the direction of the project. Expansion of the existing comb separator area in the south-western part of the working area. Assembling service areas for the installation of flares and drainage systems. Welding of comb separators and pipe fittings, prepared and shipped in the workshop, is underway on the newly installed panels.	in progress
9	Qum-Dəniz, PLT65	Relocation of the brigade and repair work to be carried out in order to prepare wells 187, 189, 190 and 191 located in the "Bahar" area, PLT 65 for overhaul. Installation and fastening of 5 8x10x0,4m metal plates in the residential block. Reassembly of the tower pedestal in the eastern part of well No. 191	in progress
9	Bahar, PLT20	Installation of a working area and pipe rack around the well in order to prepare for the overhaul of well No. 74, located in the "Bahar" area, PLT 70.	completed
10	Bahar, PLT 48	Repair and installation works to be carried out on the platform in order to prepare for the overhaul of wells 144,145 and 146 located in the "Bahar" area, PLT 48	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 Gas 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	in order to re-commission and put back on production the well No. 005, that was suspended for a long time located on 470 in the island area, which has been out of operation for a long time, re-installation and connection of "GSU", "Fluid Measurement" junction and "Household gas" separator located in the area preparation of details in the workshop for laying lines.	in progress
8	Completing repair of rooms and corridor at 1st level of "D" & "B"-block in new Admin. Bld. Continue repair of entrance and basement of B-block.	in progress
9	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

V- SUBSURFACE: *Reported by Alamdar Useynov*

Workover Programs prepared

- GD-716 Pull the tubing string with gaslift valves out of the well. Run sand bailer to clean down to TD. if there will be a sand plug. In case of being unsuccessful, use special mill to clean down to TD. Run 2400m 2 7/8" tubing with ESP.
- GD-038 2934 -2950m intervals will be squeezed and after the cement hardens, the remaining cement should be drilled to the bottom of the well up to 2950m. Logging GR/CCL, perforate 86mm tubing guns 2934 -2940m at horizon PK.
- GD-479 Check TD with GGI. Run sand bailer to clean down to TD. If there will be a sand plug. In case of being unsuccessful, use special mill to clean down to TD.
- B-074 Fishing of damage tubing strings out of the well. Drill the cement plug at 4512 and 4920m. Clean well down to 5050m. QR/NGL/CCL(5050-3720m) logging. Further operations will be planned according to GR/NGL results.
- B-144 POOH tubing string. POOH retrievable packer. If not open MP pull out of hole the tubing string by opening on-off connector. RIH and perform , QR/NGL/CCL(4300-3600m) logging.

Wells logged/re-logged

GD-038

Wells completed

1. B-074 Fishing/Recompletion. Ongoing. Expected free gas rate is 50 Mm³/d from B_VII f/u. Actual cost 18 M \$.
2. B-165 Fishing/Recompletion. Ongoing. Expected free gas rate is 39 Mm³/d B_X f/u. Actual cost 160 M \$.
3. B-206 Recompletion. Ongoing. Expected free gas rate is 29 Mm³/d. Actual cost 115 M \$.
4. GD-203 Recompletion. Continues. Expected oil rate is 10 t/d . Actual cost 12 M \$.
5. GD-474 Fishing/Recompletion. Ongoing. Expected oil rate is 9 ton/d. Actual cost 6. 2 M \$.
7. GD-716 ESP replaced with GL. Well is under monitoring. Actual cost 60 M \$.
8. GD-479 ESP replace. Well produces with 20 ton/d oil, 60 m³/d water and 4 Mm³/d solution gas. Actual cost 69 M \$.
9. GD-475 ESP replace. Well is under monitoring. Actual cost 41 M \$.
10. GD-464 Recovery equipment. Actual cost 3 M \$.
11. GD-038 Well Service/Recompletion. Ongoing. Actual cost 96 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:
GD-038 INNK**

Geology

- GumDeniz Side-track drilling program updated and presented to management.
- B-074 analyzed and geological correlation made with offset wells.

Reservoir Engineering

- Technical protocol of meeting which hold on 1 October 2021, prepared and submitted to SOCAR UPSTREAM Subcommittee.
- B-074 WID document prepared.
- Meeting with MPC (Multistage Phisico-Chemical Method) Technology Company. Well candidates selection is ongoing.
- Discussion about TAM packer application in well B-177.
- South GumDeniz area simulation and WO candidates forecasting continues.
- GumDeniz PK and KaS horizon simulation model history match in progress.
- WO Success file updated.
- Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
- Updated Bahar and GD OFGM database.
- Updated daily and monthly Production follow-up database.

<u>October 2021 Planned and Fact Production Comparison</u>			
	Plan	Fact	Difference
Oil and Condensate, tons	3360.801	2101.344	-37%
Free Gas, Mm3	25598.642	15731.409	-39%
Solution Gas, Mm3	2749.178	1848.768	-33%

VI- FINANCE: *Reported by Rasul Gafarov*

On a Monthly Base:

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

JOA issued Sep-21 Monthly reports to Contractor Parties.

JOA and Oct-21 – Nov-21 Cash Calls distributed to Contractor Parties.

Issued Sep-21 Additional Monthly reports to Contractor Parties.

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

Issued and submitted the following Sep-21 monthly as well as quarterly reports to government bodies:

VAT, consolidated tax report on employment and statistical reports;

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

On an Annual Base:

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

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

VII– LEGAL PROCESS AND HUMAN RESOURCES:

Reported by Ahmadiyya Musayev

Legal, Compliance, Document Control & Translation issues

a) Contracts

Contractual review work continued working on and attending negotiations related to various purchase, service and other commercial contracts, as well as advising on different contractual issues, including drafting and reviewing memorandums, termination notices, addendums, protocols, and working on contractual issues related with governing agreements.

b) Litigation

A claim was filed against the decision of the Labor Inspectorate to impose a fine due to non-payment of the replacement money. The court case ended at the Surakhany District Court related to the death case.

c) Government relations

Meetings were held with the colonel of the Ministry of Emergency Situations regarding fire-fighting contract. Cooperation continued with Surakhany Mayor's Office on various issues. Necessary government offices were visited on the subject of issues arising from redundancy program; Cooperation was maintained with SOCAR on inventory of assets.

d) Corporate issues

BEOC and BEL renewals were documented at JAFZA;

e) Expat employee documentation/visas

Work on applying for and obtaining residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application for work & temporary residency permits. All the expat employees of the Representative Office

possess the required documents, and registrations were done timely as stipulated by law. Necessary documents were prepared and filed with State Migration Service for the terminated expat employee; Temporary Residency Permit was obtained for Rep Office President;

f) **Other Legal Issues/Document Control and Translation/Interpreation Support**

Redundancy program continued at the Representative Office. Employees were served with Notices on Redundancy; Meetings were held with the Chairman of the Trade Union. Structural change orders were issued due to departure of expat VP and internal transfer of other employees; Letters were prepared and sent to Labor Inspectorate and SOCAR to address employee complaint; Various SOCAR inquiries for information were addressed; Letter was sent to Ministry of Defense to check Rep Office employees with a veteran status;

Letter was sent to Statistics Committee on sensitive info public disclosure in a line to EITI disclosed data; various delegations of authorities orders and documents were drafted and formalized including delegations from President, routine company orders were reviewed, special orders were drafted. Responses were prepared to different letters that required legal input, including to SOCAR a necessary legal support was provided to various company departments and external audit firms. Cooperation also continued within Houston office on a wide range of areas, including investment, and JAFZA-related issues.

d) **Document control** covering both internal and external correspondence (and archive work) and **translation** (both written and verbal) functions were managed.

• **COMPLIANCE**

Certain vendors were checked via Risk Database and relevant supporting documents and information was provided to BEOC Board for consideration. Vendors were provided with necessary information and documents.

• **HUMAN RESOURCES**

a) **Personnel Administration & Compensation**

- Staff employees:

- ✓ Total employees number October 31, 2021: 665, including:
 - Main Office employees - 16
 - Non- Main Office employees - 649
 - of which Expatriates - 1
- ✓ Termination: 33 (31- resigned, 2- expiration of agreement)

Absenteeism:

- Sick leaves - 81

b) **HR Operations**

- Overall 1786 HR related operations have been made through this quarter;
- 524 vacations and 81 bulletins have been written and entered into the HRB system;
- Employment Agreements of 33 employees were terminated
- Employment Agreements were signed with 11 new employees
- SOCAR and SOCAR Upstream were provided with headcount report;
- Employee complaints and related SOCAR and Labor Inspectorate letters were responded;
- Review of employee personal files continued. JDs and other documents were updated and filed;
- Interviewing of 3 candidates for Electrical welder position
- Heads of departments were provided with daily attendance reports after analysis of data;
- 12 orders issued on departmental structure changes;
- 3 correspondence was sent to third parties;
- Employment of 100 employees have been prolonged.

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

a) Administrative issues

- Monthly schedules and timesheets for the Administrative department, as well as for their contractors have been prepared;
- MRs/SRs were prepared for takeoff of the goods entered into the warehouse of the office;
- Monthly reports on turnover goods and materials, low value goods and write off acts as well as low value goods use acts were prepared;

b) Office maintenance

- Need for repairs of the roof of the administrative building was raised and activities started; also the air conditioning equipment on the roof was dismantled and lowered;
- Water taps and sewage pipes were repaired in administrative buildings and other workshops in the Gum island area;
- Relevant MRs from the office were submitted to the procurement department for subsequent purchase;
- New curtains ordered and installed for 20 offices;
- 9 ea. air conditioners, 1 ea. refrigerators, 6 ea. dispensers repaired.
- 16 ea. new air conditioners installed.

c) Water supply & Gardening

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

d) Nursing

- Necessary medical aid was provided to employees applying for it.

a) Security & Civil Defense activities

- 1035 person and 620 vehicles entered to BEOC 732 area based on request issuedea of one time entrance permissions.

- Records in the log book of 1694 employees who left for Bahar (working per shift) were maintained and checked their availability at work 3rd quarter of 2021.
- 14 times during the 3rd quarter of 2021 deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel.
- The specialists of the department took part in the control of the transfer of 307764 liters of diesel fuel to "Bahar" area during the 3rd quarter of 2021.
- 14 letters were sent to Maarif Ahmedov, the chief of "Tornado-S" LTD, in order to get the permission certificates for 97 employees and 43 special machines to be able to enter the "BEOCL" area, according to points of the contract.
- Majidov Agshin, who is the service man of the cameras which were installed at the area, has fully repaired 7 broken cameras in 2 days.
- T-card control was carried out per the established procedure;
- Civil defense-related activities continued as per the approved plan.

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

Procurement Division

- 79 MRs & SRs Received;
- 94 POs and SOs prepared in SUN System;
- 2 MRs canceled/oh hold;
- 2 MRs & SRs passed to Contract/Tender;
- 53 MRs & SRs under sourcing stage.

Tendered Contracts under process – 1

- BEOCL 10173 - Rent of ESP's

Number of Valid Contracts

- OPS/WO/LOG – 101 (incl. 15 transportation services and 19 services contracts for empl.);
- Construction - 31;
- HSE – 13 (including 1 service contract for empl.);
- G&G – 9 (incl. 2 consultancy contracts & 1 contracts for payment purpose only);
- ADMIN – 21 (incl. 5 service contracts for empl.);
- HR – 5;
- ITC – 12;
- Legal – 17;
- PM – 17 (incl. 1 contracts for payment purpose only);
- Finance – 4;

Materials and Handling Department:

- **3,845,882.54 kg** handled without incident;
- Handling division received 75 materials transfer request;
- WHS received **53 PO's, 321 line items** for the amount of **AZN 1,116,034.34**;
- WHS issued **657** line items for the amount of **AZN 574,562.91**;
- **95** NCR's raised; **48** NCR's was closed;
- Fuel station received **102,588.00** Liter of Diesel;
- Fuel station issued **117,698.00** Liters of Diesel;
- Fuel balance at November 1, 2021, is **25,228.00** Liters.

X- IT: *Reported by Eldar Eyyubov*

- No disruption in ICT department within June
- Within September was no disruption in ICT dept.
- 119 helpdesk requests were processed
- All new employees were provided with access cards
- Checked the equipment of resigned personal
- Installed the equipment of relocated personal
- Fixed were 5 printers and 8 desktop computers
- Upgraded the simulation server
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

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