

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

November 2021

Contents

EXECUTIVE SUMMARY:	2
I - HEALTH, SAFETY & ENVIRONMENT:.....	3
II - PRODUCTION / OPERATIONS:	5
III - WORKOVER:.....	7
IV – CONSTRUCTION:.....	11
V – SUBSURFACE:	13
VI - FINANCE:.....	15
VII – LEGAL PROCESSAND HUMAN RESOURCES:	16
VIII– ADMINISTRATION & SECURITY:	18
IX – PROCUREMENT & MATERIALS:.....	19
X – IT:	20

EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during November 2021 is below:

a) Health Safety and Environment:

- No any incidents or spills were recorded in November. BEOC TRIR is 0.16 at the end of November.
- 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 602 employees received their 1st dose, 563 employees received their 2nd dose vaccine, 158 employees received their 3rd dose vaccine, and one employee received 4th dose vaccine by the end of November.

b) Production:

- Oil production was 621 Bopd, up 220 Bopd from October 2021, due to a successful workover on GD 038 and ongoing well maintenance.
- Gas production was 16.5 MMcfd, which was up 0.7 MMcfd from October production due to natural field declines and a drop in flowing line pressure.
- BEOC also utilized 3.9 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressures, which required additional compression fuel.
- Total production of 3597 BOE/d in August was 34 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 GD447 and GD203 continued with the GD468 well completed and returned to oil production.
- In Bahar, well BH 165, 206 and 74 continued fishing and recompletion activities. Good progress continues in the milling and fishing operations.

d) Construction:

- Offshore construction operations continued on GZU 2, PLT 65, and PLT 20 in the Bahar field. 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 GD058 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 in October, 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 November.
- TRIR is 0.16 by the end of November.

a) Monthly Safety statistics (Lagging indicators) for November 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
November	0	97976	0	0	46
Total	0	1226174	0.16	2	563

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

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

c) HSE Activity

- HEALTH:

- Information about COVID-19 vaccination of BEOCL employees was registered and daily monitoring was carried out by HSE department. 602 employees got 1st dose, 563 employees got 2nd dose, 158 employees got 3th dose, 1 employee got 4th dose vaccine by the end of November.
- 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 PCR and blood testing employees for COVID-19 to be confident about health condition of workers.
- HSE department performed weekly disinfecting of the company's 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 24 newcomers/ visitors.
- In accordance with Local regulation, the Health and Safety knowledge evaluation of 1 BEOCL technical and engineering employees was carried out.
- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspection 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
November	0	0	0
Total	0	0	0

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (48 m3) was disposed through Hovsan Sewage treatment plant.

d) 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:

“Permit to Work procedure” for 1 employees.

“Safe welding and grinding operations” for 23 employees

“Safe and correct usage of PPE and CPE” for 30 employees

“ Working at height” for 30 employees

Total participants were 84 workers.

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

OIL and GAS Production 2021 Budget and Actual																		
Nov-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	83	7.46	621	87	648	93	688	490,294	17,314,733	3,115	468,333	16,539,180	2,975	748,000	26,415,620	4,752	3,597	5,440
December																		
Q4 Average																		

- Production rate of the Gum Deniz field averaged 87 tons/day. Delivery 83 tons/day.
- During the reporting period, we did not deliver associated gas, and the volume of gas required for the oil refining and domestic demand for compressors was 1,710,000 m3 (57,000 x 30).

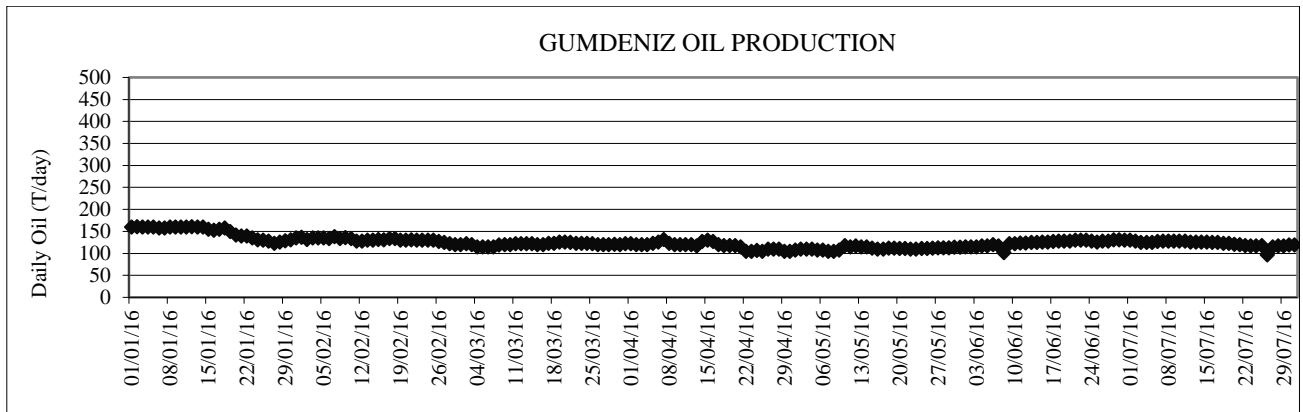
The chart below shows the reasons for oil production increase.

Oil Production Rate Differences Between October 2021 and November 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	
October 2021	1	2	1	0	0	15	1	0	1	0	1	5	0	0	0	3	3	0	0	1	2	2	2	3	3	4	5	9	2	0	7	0	1	72	
November 2021	0	2	0	0	17	21	0	0	5	0	0	6	0	0	0	4	5	0	0	0	2	2	2	3	3	1	5	24	1	0	7	0	0	110	
Difference																																			
																																			38

- WO operations in well GD-038 was completed. Well put back on production.

- In well GD-477, the well was given to WO due to loss of ESP belonging to “Schlumberger”, and after WO operations the new ESP belonging to “Schlumberger” was lowered into the well and the well was put back on production.
- WO operations in well GD-468 were completed. Well put back on production.
- GD-203 WO operations still in progress.
- GD-474 WO operations still in progress.

a) Year to Date Production: Gum Deniz



b) Production – Bahar

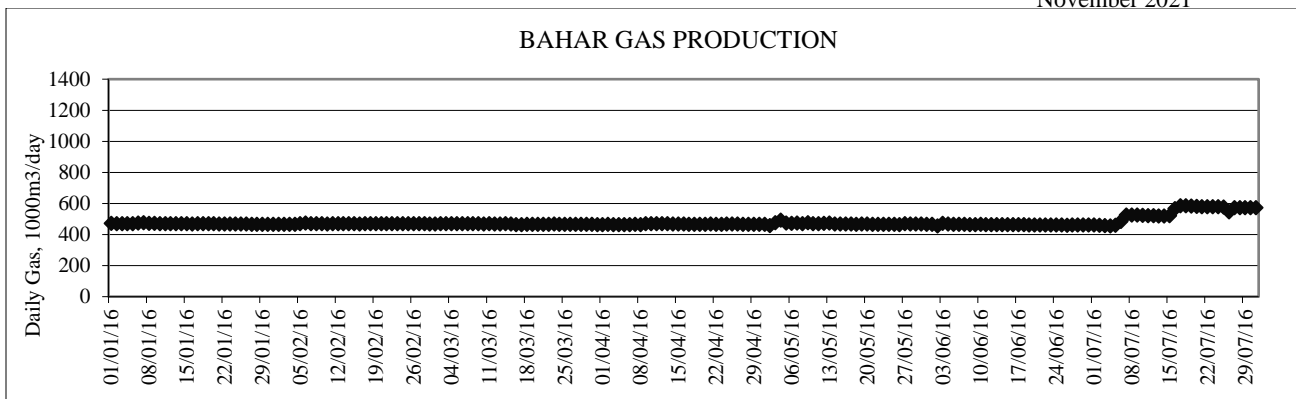
- Bahar daily gas delivery realized as an average of 468.333 m3/day
- Gas delivery was 16.539 MMcfd.
- The chart below shows the reasons for gas delivery decrease.

Gas Production Rate Differences Between October 2021 and November 2021													
Date / Well #	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
October 2021	32	41	1	21	62	108	33	76	75	1	13	41	504.0
November 2021	31	41	0	17	59	108	30	76	73	1	12	41	487.3
Difference													-16.8

- WO operations of well No165 at “Bahar” field PLT168 are still in progress.
- WO operations of well No206 at “Bahar” field PLT20 are still in progress.
- WO operations of well No74 at “Bahar” field PLT 70/106 are still in progress.
- Offshore oil&gas collec unit. No2, PLT48, PLT65 of “Bahar” field are repaired by construction crew.

During the reporting period, the “ATLET-5” crane vessel operated on an order basis.

1. Year to Date Production: Bahar



1. Additional Production Works:

- The “Closed System” Project, which is designed to prevent the environmental pollution of produced water discharged from process tanks at Oil comp prep&trans. Field, is being continued by Construction Division.
- Relocation of gas/liquid metering junction at site 470 belonging to “Gum-Deniz” field is underway.
- In connection with the removal of the Gas Sharing Unit in the “Gum-Deniz” field Causeway PLT450, 3 2.5” gas-lift lines were installed from Causeway PLT9 to Causeway PLT450,connection work will continue by the construction division.
- The construction of a 35-atm gas pipeline for the delivery of “BEOCL”’s natural gas to the Gas Export Department through SOCAR’s 28 May OGD, is underway.
- Construction of Gas trans.&seperating unit No2 Seperator Park,which controls the delivery of “BEOCL”’s natural gas to the Gas Export Department ,is underway.

November 2021	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	24(7 wells)
Fluid level survey	80(11 wells)
Sulfanol treatment in wells	
Salinity measurement in wells	72(26 wells)
Soap stick application in gas wells	-

III – WORKOVERS: *Reported by: Nurlan Gashamli*

Bahar WO’s

- BHR 165 – Fished out left in hole parted 53 jts of 2-7/8" EU DP. Resumed milling operation. Milled TOF down to 3943m. Ongoing...

- BHR 206 – Milled TOF down to 3674.83m. Note: As per indication, milling left in hole Wireline KPRU-65 perforator body. Continue milling operation. Ongoing...
- GD 074 – RIH w/Spear + JAR BHA, will perform jarring operation at 2674.62m. Ongoing...

Gum Deniz WO's.

- GD 038 – Perforated at the intervals 2940-2934m w/ 86mm Casing Gun BHA. RIH w/ Production String - GLV and landed at 1800m. POP the well with good production rate. Which confirms prevention of high water cut zone by successful remedial cementing operation.
- GD 058 – Based on adding new well to Production assets, have started execution of WO program in the well. Hired rental Ilkin-N A80 Rig and WO equipment. MU and RIH w/123mm OD Mill BHA, tagged at 3254.32m. Milled / Cleaned well bore down to 3343m. Continue...
- GD 203 – Milled down to (part of production packer as well) 2113.34m, circulated out packer rubber pieces and metal junks in return. Cleaned TOF with open STC BHA. Pulled. RIH back with Mill BHA and continue milling.
- GD 468 – Pulled w/GLV PS. Cleaned well bore down to 3407m, pulled string. RIH w/GLV PS, landed at 2102m. Well put back on production.
- GD 466 – Based on perforation plan, Moved and RU Ilkin-N UPA-60 Rig onto the well. Pulled string, RU WU, RIH w/86mm Gauge Ring, tagged at 3200m. To avoid risks decided to ream the casing and provide proper pass down to TD. RIH w/SCT ongoing...
- GD 477 – Pulled out w/ESP Assy., cleaned well bore down to 2506.39m. Pulled. RIH w/ESP Assy. landed at 1997.90m. Well put back in production.
- GD 474 – RIH w/SCT, cleaned sand down to 2001m. Checked federate with satisfied permeability. Will perform cement squeeze operation into the top perforation at 1985 - 1987m zone. Works deferred, crew moved to WO operations.

Out of Field report.

- Coordinating Side Track Project with SOCAR Drilling Trust. Had a meeting with SDT Drilling Team. Reviewed and discussed developing stimulation drilling program for G601 ST. Appointed meeting to move forward on financial agreement and contract placement.
- Based on actions regarding down time management on WO activities and production delivery, made a plan of implementation and released purchase orders for:
 - 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 B191 well at PL065.
- Coordinating with IDS Company regarding redness 120tonner Drawwork for B191 well at PL065.
- V16 Pump unit – Purchased and Baker supplied new engine installed, PACEMAKER pump refurbished and installed. Unit function tested OK. Will sail and participate in Bahar WO operations.
- Implementing and executing repair and maintenance program for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with Procurement team.

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
November	10	4
Total	102	41

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	190M \$	308M \$	118M \$
BHR 206	Fishing / Recompletion	40-2-206-01-21	145M \$	327M \$	182M \$
GD 074	Fishing / Recompletion	40-2-074-01-21	59M \$	365M \$	306M \$
GD 474	Fishing / Recompletion	40-1-474-01-21	14M \$	43M \$	29M \$
GD 203	Fishing / Recompletion	40-1-203-01-21	40M \$	42M \$	2M \$
GD 058	Fishing / Recompletion	40-1-058-01-21	24M \$	295M \$	271M \$
GD 466	Recompletion	40-1-466-01-21	9M \$	50M \$	41M \$

c) Summary of Well Service Activity

<i>Well Services</i>		
<i>Well</i>	<i>Operation</i>	<i>Actual Cost</i>
GD 038	Well service / remedial WO ops.	137M \$
GD 468	Well service	22M \$
GD 477	ESP replace	55M \$

d) Well operations heavy equipment report

Well operations heavy equipment field 2021 November					
Work Description	Number	Work hours	Engine Hours	Repair Hours	Mileage km
TRF	11				
Pulling units and Taw tractors used at Workover Workshop	14	578.5	578.5	55	
Stationary type pump unit (V-12)	1				
Stationary type pump unit (V-16)	1	33	33	20	
QBQ-120	2	812	812	56.5	
Mobile (two-part) ADPM unit	1	160.5	160.5	2	
Cementing Pump Trucks serving BEOC Departments	1	15s 40'	15s 40'	7	
Water trucks of Transportation field	12	3168	667.5	246.5	52
Other trucks of Transportation field	1	136	27.5	19	36
Fire trucks of Transportation field	3			6	
Number of trucks put into operation after long-term repairs	3			24	
Number of heavy machinery equipment on rental					

IV – CONSTRUCTION: *Reported by Alamdar Useynov*

CONSTRUCTION PROGRESS REPORT FOR NOVEMBER 2021

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz, Causeways PLT2	Repair & reconstruction at PLT2 Gum-Deniz to carry out WO jobs in the wells 351 & 352. Hammering of 10ea piles out of 12" pipes and connecting metal sheets with newly hammered piles in 9 places. Replacement of rotary piles with new ones.	in progress
2	Gum-Deniz, Causeways	Installation and connection of piles made of 10 "pipes in front of PLT66, for the repair of bad parts of the ocauseway and the vehicle overpass. Completed hammering of 4 piles and connection of 400 mm double beams between the piles. Additionally, hammering of new piles on the east side of previously hammered piles.	in progress
3	Gum-Deniz, Causeways PLT9	Connection of 600mm i-beam with 10x10 panels installed on the causways' piles for the widening of the vehicle pass at the causeway in between the crossroads and PLT9 where 6 / 0.4kV Distribution Unit No. 13 located.	in progress
4	Gum-Deniz, PLT2	Concerning WO of wells 203; 297; 716; 504 at PLT2, skidding and installation of the UPT-50 pulling unit pedestal and the pipe racks.	in progress
5	Gum-Deniz, Causeway, PLT209	Installation and welding of the 12th and 16th 10x10x0.6m as well as the 17th and 18th metal plates are being carried out at Causeway PLT209.	in progress
6	Gum-Deniz, Workshop	Welding and setting up works in the workshop on the cable spooler used during WO operations (POOH & RIH) at ESP wells of Gum-Deniz field."	in progress
7	Gum-Deniz, Causeways	Continuing welding gas lines and elbows on 2.5" gaslift line layed from PLT9 to PLT450	in progress
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	in progress

		of comb separators and pipe fittings prepared and shipped in the workshop, is underway on the newly installed panels.	
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 Gass export dept.	In progress
4	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
5	Installaion 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
6	On the basis of the project, the reconstruction of the separator system at gas trans&separating unit No2 in order to improve the quality of sales gas from the "Bahar" field in the Representative office of the company "BEOCL" in the Republic of Azerbaijan. Installation of 64 piles of 12 "pipes on the prepared area and laying of 38m ³ precast concrete.	In progress

7	Construction of a road leading to the well No. 58 in the "Gum-Deniz" field, dismantling of existing concrete debris around the well, expansion of the area, vertical planning and preparation of a concrete site for the A-80 lifting mechanism. The installation of 4 12" pipes, the connection between them and the preparation of the pipe and the working area have been completed.	Completed
8	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
9	Renovation of rooms and corridor on the 2nd floor of the "B" building of the new office building has been completed. The repair work of two meeting rooms located in the "B" building has been completed.	Completed
10	Reconstruction of the north wall of the gas distribution point located at Causeway PLT9, consisting of dilapidated metal plates, has been completed.	Completed
11	Installation and coordination of the oil tank for the operation of well No. 456 located in the "Gum-Deniz" field Causeway PLT208a with hot oil treatment.	In progress
12	Installation and connection of 2 10" and 2 12" pipe supports from Causeway PLT9 in connection with the repair of crashed prop No. 12 between the base and the field.	In Progress
13	Welding of coatings in order to eliminate leaks in 6 different parts of Oil comp.prep&trans. field 5000 points, 2000 technological tank.	Completed
14	Connection of inlet and outlet lines with produced water pumps in order to use technological tank No. 4 as a produced water tank at the point 5000 of Oil Prep. & transport. field. 188 m of 10" pipes were laid.	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-474 mill, drill the cement plug, fishing tubing strings 2 7/8" -165m(Fishing top-2268m), Clean well down to 2727m. Perform, QR/CCL and INNK (2727-2200m) logging. Further operations will be planned according to GR/QUAD results.
- GD-466 Logging GR/CCL perforate 86mm tubing guns @ 3236-3233m(3m), 3230-3227m(3m), 3226-3223m(3m). Hor-KS. Run, 2200m 2 7/8" tubing with gaslift valves in the

well according to compiled and approved scheme (1 st WO plan). Clean from 3200 m down to PBTD (additional 2nd WO Plan).

- GD-468 Pull the tubing string with gaslift valves out of the well. If there is a sand plug clean down to PBD. Run 1900m 2 7/8” tubing with gas lift valves in the well according to compiled and approved scheme.
- GD-477 POOH tubing with ESP. If there is a sand plug drill sand plug till PBTD. Run 2000m 2 7/8” tubing with ESP.

Wells completed

1. B-074 Fishing/Recompletion. Ongoing. Expected free gas rate is 50 Mm³/d from B_VII f/u. Actual cost 59 M \$.
2. B-165 Fishing/Recompletion. Ongoing. Expected free gas rate is 39 Mm³/d B_X f/u. Actual cost 190 M \$.
3. B-206 Fishing/Recompletion. Ongoing. Expected free gas rate is 29 Mm³/d. Actual cost 145 M \$.
4. GD-203 Fishing/Recompletion. Ongoing. Expected oil rate is 10 t/d . Actual cost 40 M \$.
5. GD-474 Fishing/Recompletion. Ongoing. Expected oil rate is 9 ton/d. Actual cost
6. 14 M \$.
7. GD-058 Fishing/Recompletion. Ongoing. Expected oil rate is 4 tons/d. Actual cost 24 M \$.
8. GD-466 Recompletion. Ongoing. Expected oil rate is 2 tons/d. Actual Cost 9 M \$.
9. GD-477 ESP replaced . Well is under monitoring. Actual cost 55 M \$.
10. GD-038 Well Service/Recompletion. Perforated 2940-2394m on horizon PK. Average daily production is 20 tons/d oil, 30 tons/d water, 10 Mm³/d solution gas. Actual cost 137 M \$.
11. GD-468 Well Service/Sand Cleaning. Well is under monitoring. Actual cost 22 M \$.

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

Geology

- GumDeniz Side-track drilling program production profile and economics evaluation prepared and presented to management.

Reservoir Engineering

- Meeting with MPC (Multistage Phisico-Chemical Method) Technology Company. Well candidate 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.

November 2021 Planned and Fact Production Comparison			
	Plan	Fact	Difference
Oil and Condensate, tons	3223.672	2607.681	-19%
Free Gas, Mm3	27516.276	14708.814	-47%
Solution Gas, Mm3	2600.735	1364.534	-48%

VI- FINANCE: *Reported by Rasul Gafarov*

On a Monthly Base:

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

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

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

Issued Oct-21 Additional Monthly reports to Contractor Parties.

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

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

VAT, consolidated tax report on employment and statistical reports;

Prepared and submitted monthly Oct-21 Financial Highlights report to 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 contracts. 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 completed 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 has 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

- 62 MRs & SRs Received;
- 82 POs and SOs prepared in SUN System;
- 0 MRs canceled/oh hold;
- 1 MRs & SRs passed to Contract/Tender;
- 53 MRs & SRs under sourcing stage.

Tendered Contracts under process – 1

- BEOCL 10178 Construction of Seaport

Number of Valid Contracts

- OPS/WO/LOG – 98 (incl. 15 transportation services and 17 services contracts for empl.);
- Construction - 30;
- HSE – 12 (including 1 service contract for empl.);
- G&G – 10 (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 – 19 (incl. 1 contracts for payment purpose only);
- Finance – 4;

Materials and Handling Department:

- **4,321,332.00 kg** handled without incident;
- Handling division received 68 materials transfer request
- WHS received **65 PO's, 215 line items** for the amount of **AZN 2,171,652.58**;
- WHS issued **336 line items** for the amount of **AZN 1,006,753.34**;
- **47 NCR's** raised; **12 NCR's** was closed;
- Fuel station received **102,588.00** Liter of Diesel;
- Fuel station issued **118,498.00** Liters of Diesel;
- Fuel balance at December 1, 2021, is **9,318.00** Liters;

X– IT: *Reported by Eldar Eyyubov*

- Within November was no disruption in ICT dept.;
- 202 helpdesk requests were processed;
- New HSE employee Nurlan S. was provided with PC set and accounts;

- New laptops have been tuned and handed over to Farid, Shabnam, Azer and Margarita;
- Installed and configured equipment of the relocated personal
- Installed was new UPS on (Perekachka)
- Necessary access was provided to Greenfields/Bahar cloud folders
- Tested and accepted equipment of resigned personnel
- Ordered were 10 UPS for Compressor station
- The Greenfileds web site was updated
- The new deputy head of the compressor station was provided with account and email
- Two employees were provided with more efficient computers
- Azercell company started work on station upgrade in Bahar
- Backup server was relocated to new place
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up

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