

BAHAR ENERGY OPERATING COMPANY LIMITED

Monthly Report

December 2021

Contents

EXECUTIVE SUMMARY:	2
I - HEALTH, SAFETY & ENVIRONMENT:	3
II - PRODUCTION / OPERATIONS:	5
III - WORKOVER:.....	8
IV – CONSTRUCTION:.....	11
V – SUBSURFACE:	13
VI - FINANCE:.....	14
VII – LEGAL PROCESSAND HUMAN RESOURCES:	15
VIII– ADMINISTRATION & SECURITY:.....	16
IX – PROCUREMENT & MATERIALS:	17

EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during December 2021 is below:

a) Health Safety and Environment:

- No incidents or spills were recorded in December. BEOC TRIR is 0.15 at the end of December.
- 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, 543 employees received 1st dose, 538 employees received 2nd dose, 200 employees received 3rd dose, 4 employees received the 4th dose vaccine by the end of December.

b) Production:

- Oil production was 577 Bopd, down 44 Bopd from November 2021, ongoing well maintenance.
- Gas production was 15.7 MMcfd, which was down 0.7 MMcfd from November production due to natural field decline and a drop in flowing line pressure.
- BEOC also utilized 1.7 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressure, which required additional compression fuel.
- Total production of 3420 BOE/d in December was 36 percent below the Budget forecast for the month. This shortfall is mainly due to the longer period of the Bahar workovers to reach the deeper target zones.

c) Workovers:

- In Gum Deniz, workovers in the GD474, GD058, GD716, and GD203 continue with the GD466, GD006, and GD479 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 operation.

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 2022 when the weather is calmer.

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 S/C meeting will be scheduled in 2022 to review and approve 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 Aslan Bakhishov*

a) Summary: HSE:

- No any incident was recorded in December.
- TRIR is 0.15 by the end of December.

b) Monthly Safety statistics (Lagging indicators) for December 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
December	0	95138	0	0	47
Total	0	1321312	0.15	2	610

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. 543 employees got 1st dose, 538 employees got 2nd dose, 200 employees got 3th dose, 4 employee got 4th dose vaccine by the end of December.
- 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 the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer regularly control and fulfil by HSE representatives at the BEOCL premises.
- 91 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 71 newcomers/ visitors.
- In accordance with Local regulation the Health and Safety knowledge evaluation of 7 BEOCL technical and engineering employees was carried out.
- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspection was provided and reported. Firefighting water pump was tested at the Oil Process and Transportation field.

- ENVIRONMENT

- Environmental Statistics for Month/Annual

Month	Spills Number	Spill Volume	Comments
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (54 m3) was disposed through Hovsan Sewage treatment plant.
- Representatives of the Caspian Complex Environmental Monitoring Department of the Ministry of Ecology and Natural Resources conducted monitoring on produced water management and other environmental issues at the BEOCL operation sites.

e) Training and other activities:

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

“Permit to Work procedure” for 2 employees.

“Safe transportation, storage and usage of comprised gas cylinders” for 13 employees

“Safe Lifting operation” for 13 employees
 “Safe and correct usage of PPE and CPE” for 13 employees
 “ Working at height” for 13 employees

Total participants were 54 workers.

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

OIL and GAS Production 2021 Budget and Actual																		
Dec-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 on 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	78	7.45	577	76	567	93	688	467,072	16,494,648	2,967	447,535	15,804,699	2,843	736,000	25,991,840	4,676	3,420	5,364
Q4 Average	75	7.45	560	77	573	92	681	488,277	17,243,502	3,102	454,358	16,045,665	2,886	743,667	26,262,588	4,724	3,446	5,405

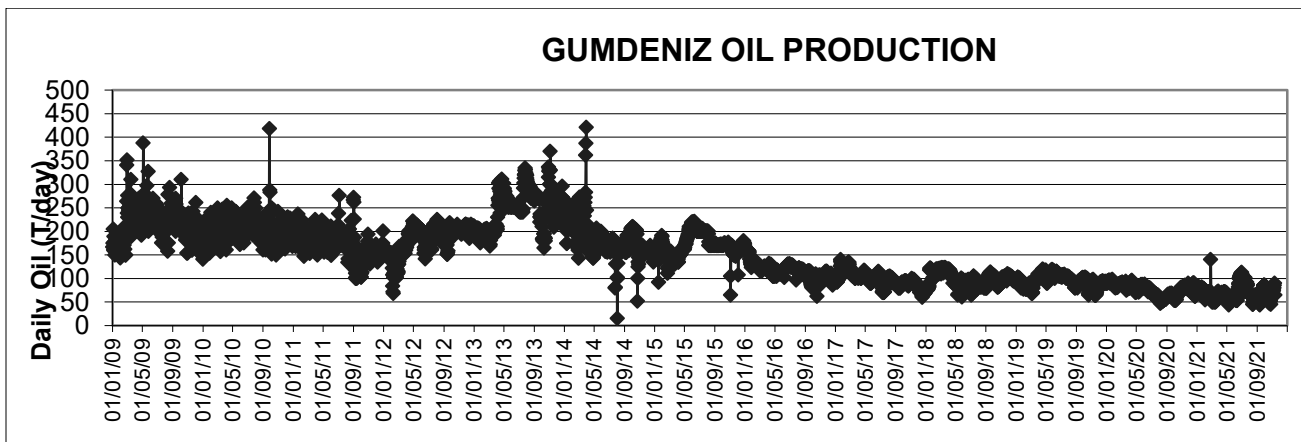
- Production rate of the Gum Deniz field averaged 76 tons/day. Delivery 78 tons/day.
- **We did not deliver associated gas during the reporting period, the volume of gas for oil refining and domestic demand of compressors was 1,457,000 m3 (47,000 x 31).**

The chart below shows the reasons for oil production increase.

Oil Production Rate Differences Between November 2021 and December 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
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
December 2021	0	2	0	0	9	20	0	0	5	0	0	8	0	0	0	4	5	0	0	0	4	1	2	3	6	4	5	14	1	0	7	0	0	100
Difference																											-10							

- GD-466 WO works were completed. Well was put back on production.
- GD-006 WO works were completed. Well was put back on production.
- GD-479 WO works were completed. Well was put back on production.
- GD-716 WO works were started and still in progress.
- GD-468 WO works were completed. Well was put back on production.
- GD-203 WO works are in progress.
- GD-474 WO works are in progress.
- GD-058 WO works are in progress.

a) Year to Date Production: Gum Deniz



b) Production – Bahar

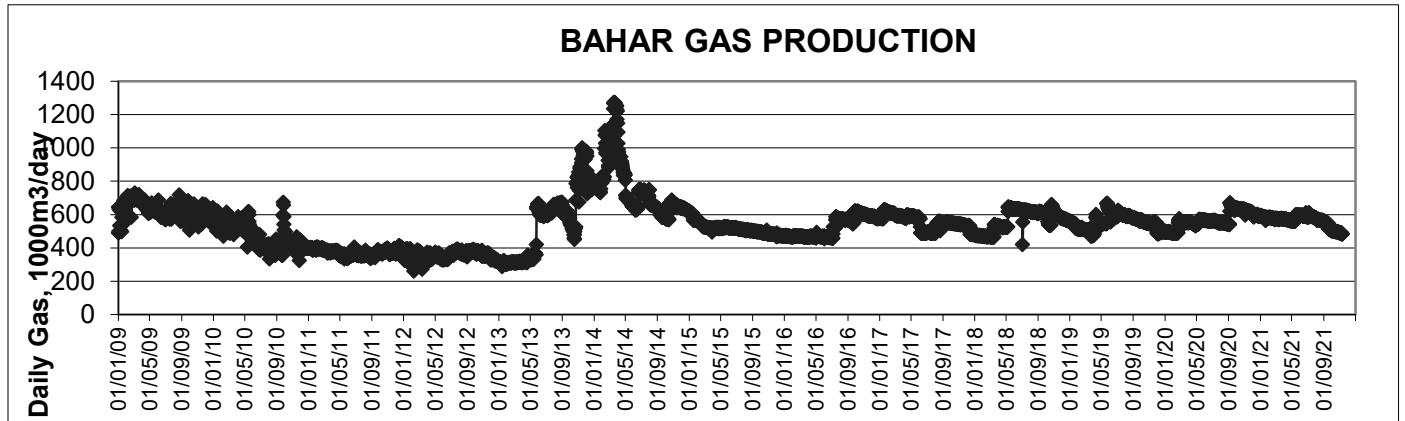
- Bahar daily gas delivery realized as an average of 447 535 m3/day
- Gas delivery was 15.805 MMcfd.
- The chart below shows the reasons for gas delivery decrease.

Gas Production Rate Differences Between November 2021 and December 2021													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
November 2021	31	41	0	17	59	108	30	76	73	1	12	41	487.3
December 2021	22	40	0	30	80	101	1	68	62	1	25	40	470.0
Difference												-17.3	

- WO works are underway on well No165 at PLT168, in “Bahar” field.
- WO works are underway on well No206 at PLT20, in “Bahar” field.
- WO works are underway on well No74 at PLT70/106, in “Bahar” field.
- Repair works by construction crew at offshore oil&gas collec.unit No2, PLT48 and PLT65 in “Bahar” field are underway.

During the reporting period, crane vessels such as "Athlete", "Shirvan", "Shklinski" did not work on order.

1. Year to Date Production: Bahar



2. 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&delivery unit, is being continued by Construction Division.
- Relocation of the gas/liquid metering junction is underway at site 470 belonging to “Gum-Deniz” field.
- In connection with the removing of the GSU in “Gum-Deniz” field causeway PLT450 , 3 2.5” gas-lift lines were laid from causeway PLT9 to causeway PLT450, the connection works will continue by construction division.
- In “Bahar” field , there were two leaks detected on the offshore oil&gas collec.unit No2-coastal Gas seper&trans unit No2 12” underwater production line, and leak eliminated with the help of diving crew.
- A leak was detected in the “Bahar” field at the 12” connection line in offshore oil&gas collec.unit No2 and the leak was eliminated with the help of construction crew.
- Construction of a 35-atm gas pipeline for the delivery of BEOCL’s natural gas to Gas Export Department through SOCAR’s 28 May OGPD is underway.
- Construction of the Gas sep&trans unit No2 seperator park, designed to separate BEOCL’s natural gas and deliver it to the Gas Export Department, is underway.

December 2021	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	27(6 wells)
Fluid level survey	80(12 wells)
Sulfanol treatment in wells	
Salinity measurement in wells	50(26 wells)
Soap stick application in gas wells	-

III – WORKOVERS: *Reported by: Nurlan Gashamli*

Bahar WO's

- BHR 165 – Continue fishing / milling operations. Current fish top at 3944.16m. Casing restriction at 3779m, RIH w/Casing reamer BHA to provide nominal ID pass. Ongoing...
- BHR 206 – Could mill down to 3693.32m with very hard penetration. Provided reverse circulation for bottoms up, over 6 hours were getting continues mud and small gravels in return. Raised string and switched to forward circulation, started milling ops. Faced with high backup torques which stopped rotation and created stuck on each attempt to mill through, could release the string from stuck at 10ton over pull. Were getting continues mud in return, which indicates significant casing damage/restriction at this depth made by perforation zone at 3675 - 3689m interval (Hor. VI). Decision been made to POOH and Log the well for possible pay zones above the 3693m. Ongoing...
- GD 074 – Fished out additional 785m of left in hole tubing string. Made current TOF at 3459m. Continue with backing off operation. Ongoing...

Gum Deniz WO's.

- GD 058 – Milled / Cleaned the well bore down to 3245.7m. To provide stability of fish below the mill for milling operation, dumped via Wireline 1m of cement amount onto the TOF (half milled piece of Wireline gun). RIH back w/120mm Baker MM Mill BHA, tagged TOC at 3246.25m milled and passed down to 3439m (dumped cement provided stability of fish). Cement and metal dust were in return. Continue ops.
- GD 203 – Milled down to 2118.28m. Will continue with milling ops. But, deferred the operation due to G716. Secured the well. Moved the Rig onto the G716.

- GD 466 – Perforated at 3236-3233m, 3230-3227m, 3226-3223m interval in three run. All guns are fired. RIH w/GLV PS to 2300m. ND BOP. NU WH Equipment. Well put on production.
- GD 006 – Serviced the well by cleaned well bore down to 3272m. Circulated to clean. POOH of SCT. RIH w/GLV PS, 2300m. The well was put back on production.
- GD 479 – Bleed the well off. Pumped 50m³ of water (no circulation). Pulled GLV PS. MU and RIH w/Sand Bailer BHA, tagged TOS at 2471m (bottom perforation at 2454-2456m), bailed down to 2474m (3m total). No more penetration. Note: Inspected pulled GLV's. Observed small hole on 3rd GLV (48 atm). Completed POOH w/Sand Bailer BHA, 8 joints of canister tubings were full of sand. Note: Pressure tested the tubing string to 50 atm / 10 min, stable. No holes indicated. MU and RIH w/GLV PS, landed at 2101m. The well was put back on production.
- GD 716 – To Squeeze cement into 2618 – 2624m perforation zone (confirmed high permeability). Drill and clean out the wellbore down to TD and produce the well from 2812 – 2816m intervals. Checked feedrate with satisfied infectivity result, 3m³ / 40atm. Prepared 1.8m³ of cement slurry with 20kg of retarder additive at 1.74SG. Pumped slurry down to tubing and spotted in the well bore in two stages, raised and back washed string to clean. Switched the lines to annulus, squeezed cement into the formation with 1.3m³ of volume, back pressured up to 85atm. Well is shut in under 85atm pressure. Waiting on cement dry/solidify.

Out of Field report.

- Continue coordination of Side Track Project with SOCAR Drilling Trust. Made recommendation for develop stimulation drilling program for G601 ST. Appointed meeting for move forward on financial agreement and contract placement.
Arranged site visit to location regarding Drilling Rig and equipment spotting as per sketch requirements. Made necessary order for prep works.
- Continue coordinating orders regarding equipment's:
 - 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. Planning to have ready to move by mid. of January
- Coordinating with IDS Company regarding redness 120tonner Drawwork for B191 well at PL065. Planning to have ready to move by mid. of January
- Implementing and executing repair and maintenances 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
December	9	4
Total	109	45

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	221M \$	308M \$	87M \$
BHR 206	Fishing / Recompletion	40-2-206-01-21	176M \$	327M \$	151M \$
GD 074	Fishing / Recompletion	40-2-074-01-21	87M \$	365M \$	278M \$
GD 203	Fishing / Recompletion	40-1-203-01-21	64M \$	42M \$	-22M \$
GD 058	Fishing / Recompletion	40-1-058-01-21	88M \$	295M \$	206M \$
GD 466	Recompletion	40-1-466-01-21	32M \$	50M \$	18M \$

c) *Summary of Well Service Activity*

<i>Well Services</i>		
<i>Well</i>	<i>Operation</i>	<i>Actual Cost</i>
GD 006	Well service	21M \$
GD 479	Well service	79M \$
GD 716	Remedial cementing	64M \$

d) *Well operations heavy equipment report*

Well operations heavy equipment field 2021 December					
Work Description	Number	Work hours	Engine Hours	Repair Hours	Mileage km
TRF	23				
Pulling units and Taw tractors used at Workover Workshop	14	541.5	541.5	25	
Stationary type pump unit (V-12)	1				
Stationary type pump unit (V-16)	1	68	68	31	
QBQ-120	2	710	710	17	
QBQ-160	1	384	384		
Mobile (two-part) ADPM unit	1	14h10'	14h10'	2	
Cementing Pump Trucks serving BEOC Departments	12	3048	540	135	39
Other trucks of Transportation field	1	152	23	13	43
Fire trucks of Transportation field	4			5	
Transportation field - Added repairs	3			21	
Number of trucks put into operation after long-term repairs					

IV – CONSTRUCTION: *Reported by Alamdar Useynov*

Construction progress report for December 2021

#	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.	in progress
3	Gum-Deniz,Causeways PLT9	Connection of 600mm i-beam with 10x10 panels installed on the causeways' 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	CS, OGSU-2	Based on the project, BEOCL Representation in the Republic of Azerbaijan completed the installation of 64 piles from 12 "pipes in order to improve the quality of sales gas from the" BAHAR "field in Oil and Gas Sep. Field No. 2 in order to reconstruct the separator system. Installation of molds for concreting of the preparatory layer.38m3 Preparation of the concrete layer and reinforcing of the concrete.	in progress
5		Continue fabrication and installation of penetrations and frames using 60 i-beams for installation of 10x10 panels at PLT209"	in progress
6	Gum-Deniz, Causeways, in between PLT235-64	"Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the platform and pipes.	in progress
		Bahar field	
7	Bahar, GZU-2	Proceeding the installation of 12" gas flow line pipe supports along the existing bridge according to the project. Expansion of the existing comb separator area in the south-western part of the working area. Reinforcement of lines coming from wells in the southern part of the existing working site and installation of 6x10m service area. The installation of parts fabricated in the workshop has begun.	in progress
8	Bahar, PLT-65	Restoration and repairs as well to prepare wells 187, 189, 190 & 191 for WOs at PLT65. Installation of seats for 8x10x40m metal plates in the western part of the platform in the area intended as a living block.	in progress
9	QD, DSP-48	Preparation of well No. 145 for WO in PLT48. Installation of metal plate on the north and south sides for moving well No. 144 for repair of the Derrick.	in progress
10	Bahar, PLT-70/106	Moving the equipment and shacks from PLT BH175 to BH160/70. Repair and installation works on the well#74 at PLTBH 106/706 preparation for WO operations."	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
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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	Welding and setting up works in the Fab. shop have been started on the cable spooler used during WO operations (POOH & RIH) at ESP wells of Gum-Deniz field."	in progress
4	Linking works are carrying out 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. Installation of new supports on existing water line, cutting off the old lines on-going.	in progress
5	Installation of new oil traps for oil separation and construction of pump station at Oil Prep. & Transportation area.	in progress
6	In connection with the repair of the emergency support between the base pitch from EYM No. 9, the installation of 6 10 "and 2 12" pipe supports and the connection between them was completed. Next, work is underway to install and connect 10 "supports" in the newly designated emergency section between the base and the 2nd turn.	in progress
7	Installation and coordination of an oil tank for the operation with hot oil of well No. 456, located at Gum Deniz area Plt 208.	in progress
8	Repair of the leak in the technical water line 8 in the area 465 "Gum-Deniz" area.	in progress
9	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 layed.	in progress

V- SUBSURFACE: *Reported by Alamdar Useynov*

Workover Programs prepared

- GD-466 Add 300 m to the tubing string.
- GD-006 POOH tubing with gazlift valves. Check TD with GGI. Run a special tool to clean down to 3270m. Run 2100m 2 7/8" tubing with gaslift valves in the well according to compiled and approved scheme.
- GD-479 Pump hot oil through center of tubing. Add 200 m to the tubing.
- GD-716 POOH tubing string with ESP. Cement squeeze at 2618-2624m intervals and after dring clean till 2835m. Run GR/CCL, perforate 2782-2785m, 2770-2772m intervals. Run 2200 m 2 7/8" tubing with gas lift valves.

Wells completed

- B-074 Fishing/Recompletion. Ongoing. Expected free gas rate is 50 Mm3/d from B_VII f/u. Actual cost 87 M \$.
- B-165 Fishing/Recompletion. Ongoing. Expected free gas rate is 39 Mm3/d B_X f/u. Actual cost 221 M \$.

- B-206 Fishing/Recompletion. Ongoing. Expected free gas rate is 29 Mm3/d. Actual cost 176 M \$.
- GD-203 Fishing/Recompletion. Ongoing. Expected oil rate is 10 t/d . Actual cost 64 M \$.
- GD-474 Fishing/Recompletion. Postponed. Expected oil rate is 9 ton/d.
- GD-058 Fishing/Recompletion. Ongoing. Expected oil rate is 4 tons/d. Actual cost 88 M \$.
- GD-466 Recompletion. Perforated 3236-3233m, 3230-3277m, 3226-3223m horizon KS. Expected oil rate is 2 tons/d. Not successful. Actual Cost 32 M \$.
- GD-006 Well Service. Cleaned till to 3272m. POP. Actual cost 21 M \$.
- GD-479 Well Service/Sand Cleaning. Well is under monitoring. Actual cost 79 M \$.
- GD-716 Remedial Cementing. Squeeze cement into 2618-2624m. Cleaned and drill to TD. Waiting for cement solidifying. Actual cost 64 M \$.

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

Interpreted logs from GGI: Geology

1. Bahar SP oil candidates identified and presentation prepared.

Reservoir Engineering

- Discussion about TAM packer application in well B-177 in progress.
- OOR/MPC technology application for GD-471 acid treatment contract prepared and SRF proceed to signature.
- 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.

December 2021 Planned and Fact Production Comparison			
	Plan	Fact	Difference
Oil and Condensate, tons	3265.091	2360.923	-28%
Free Gas, Mm3	28131.510	14479.243	-49%
Solution Gas, Mm3	2627.820	1139.187	-57%

VI- FINANCE: *Reported by Rasul Gafarov*

On a Monthly Base:

Completed Nov-21 accounting cycle in accordance with the monthly schedule. According to JOA issued Nov-21 Monthly reports to Contractor Parties.

According to JOA and Dec-21 – Jan-22 Cash Calls distributed to Contractor Parties.

Issued Nov-21 Additional Monthly reports to Contractor Parties.

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

Issued and submitted following Nov-21 monthly as well as quarterly reports to government bodies: VAT, consolidated tax report on employment and statistical reports;

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

On an Annual Base:

Completed 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

- Contractual drafting and review work continued working on various contractual documents;
- Cooperation was maintained with SOCAR Upstream;
- Restructuring documents were prepared for Finance, Ops, G&G, Legal and HR departments due to changes in the organization;
- Representative Office was represented on civil case for payment of replacement time salary;
- A letter was sent to Mediation Council of Azerbaijan requesting to launch a disciplinary proceeding against a mediator (who was reprimanded as a result)
- Representative Office was represented on civil case for reinstatement to work and payment of salary for forced out of work time;
- Settlement Agreement was reached on both above cases after series of negotiations;
- A claim letter was sent to a vendor to fulfill contractual duties on return of payments owed under the contract, and a subsequent letter was sent to the Mediation Council of Azerbaijan, a follow-up meeting was held to discuss the vendor's offers of settlement and subsequent options were shared internally;
- Legal support was provided for the redundancy project and employee and authorities' letters regarding redundancy were answered as well;
- 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.

a) HR issues

- Use of the outstanding vacations was monitored.
- Employment Agreements of 64 employees were terminated.
- Employment Agreements were signed with 3 new employees.
- To be expired contracts were followed up and management was updated.
- Overall 704 HR related operations have been made through this month.
- Organizational structures have been updated as per last changes.
- 103 vacations and 27 bulletins have been written and entered to the HRB system.
- Review and revisions of current job descriptions were ongoing.
- Review of employee personal files continued.
- Meetings were held with HRB system provider to discuss issues related with software.

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

a) Administrative issues

- The indicators of Azersu water meters were reported;
- At the water distribution point, the gardener monitors the water supply 7 days a week;
- Monthly timesheets for the Administrative contractors have been prepared;
- MRs/SRs were prepared;
- Monthly reports on turnover goods and materials, low value goods and write off acts as well as low value goods use acts were prepared;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out, inspection of the rooms and offices, supervising the cleanliness and tidiness of the offices, rooms and around the main office was performed;
- Damaged equipment was replaced with new ones in sanitary facilities;
- 3 air conditioners installed (1 ea IT server backup, 1 ea Gum-deniz field, 1 ea Trade Union Committee); 4 air conditioners (2ea WO, 1ea PA field, 1ea ATC of SOCAR) repaired.
- 89 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.
- Total 69 people passed the COVID-19 TEST:
 - 06.12.2021 32 employees passed the covid-19 test;
 - 10.12.2021 37 employees passed the covid-19 test;

b) Security & Civil Defense activities

- 321 one-time permissions were issued for 508 person and 249 vehicles entered to BEOC premises based on the requests received.
- Records in the log book of 756 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 02, 10, 12,16,18,28 days of current month by the Department's rescue-diver personnel.
- 15 letters were sent to Avtandil Aqayarov, the Chief of "Tornado-S " LTD, in order to get permission certificates for 1495 employees and 289 special vehicles to be able to enter the "BEOCL" area, according to terms of the contract.
- On 04.12.2021, the specialists of department took part in the control of the transfer of 170980 liters of diesel fuel to "Bahar" area.
- T-cards control was carried out per the established procedure.
- Civil defense related activities continued per the approved plan.

c) Information Technologies

- Within December was no disruption in IT department.
- 188 helpdesk requests were processed
- Installed and configured equipment of the relocated personal
- Successfully upgraded was Azercell base station in Bahar field
- Sabira Shihiyeva. was provided with new laptop
- New SS employee was provided with laptop and email
- Tested and accepted equipment of resigned personnel
- 3 Laptops were provided to warehouse workers for remote work
- The Greenfileds web site was updated
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

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

Procurement Division

- 89 MRs & SRs Received;
- 63 POs and SOs prepared in SUN System;
- 3 MRs canceled/oh hold;
- 2 MRs & SRs passed to Contract/Tender;
- 68 MRs & SRs under sourcing stage.

Tendered Contracts under process – 1

- BEOCL 10178 Construction of Seaport

Number of Valid Contracts

- OPS/WO/LOG – 94 (incl. 14 transportation services and 17 services contracts for empl.);

- Construction - 29;
- HSE – 12 (including 1 service contract for empl.);
- G&G – 10 (incl. 2 consultancy contracts & 1 contracts for payment purpose only);
- ADMIN – 14 (incl. 5 service contracts for empl.);
- HR – 5;
- ITC – 12;
- Legal – 17;
- PM – 19 (incl. 1 contracts for payment purpose only);
- Finance – 4;

Number of addendums/extensions – 28

Termination of agreements - 1

Materials and Handling Department:

- **3,260,137.00 kg** handled without incident;
- Handling division received 116 materials transfer request
- WHS received **50 PO's, 211 line items** for the amount of **AZN 3,453,862.11;**
- WHS issued **508** line items for the amount of **AZN 882,612.12;**
- **58** NCR's raised; **18** NCR's was closed;
- Fuel station received **376,156.00** Liter of Diesel;
- Fuel station issued **338,999.00** Liters of Diesel;
- Fuel balance at January 1, 2022, is **46,475.00** Liters;

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