

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

July 2020

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during July 2020 are below:

a) Health Safety and Environment:

- July was again a positive HSE month for BEOC as there were no LTIs, TRIR remained at zero, and there were no reportable spills. This is commendable as 44 PTW were issued, and eight safety inspections and 18 STOP cards were collected.
- BEOC Board has approved and released a BEOC Corona Virus Plan
 - Preventive disinfecting actions were undertaken in all the BEOC buildings against potential Corona Virus infection
 - To take necessary precautions for the prevention of possible employee infections from the coronavirus (COVID 19), the body temperature of all employees coming to the workplace is being checked, and all company rental buses for employees are regularly disinfected.
 - Before commencing crew change operations for the offshore, BEOC has organized medical check-ups for all employees.

b) Production:

- Oil production was 489 Bopd, down 122 Bopd from June 2020, due to ESP failures in GD wells 417, 418, and 465.
- Gas production was 19.1 MMcfd, which was slightly higher by 0.2 MMcfd from June.
- BEOC also utilized 3.18 MMcfd for fuel gas in Gum Deniz& Bahar operations. The increased gas utilization was the result of having to deliver gas to sales at higher pressure, which required additional compression fuel.

c) Workovers:

- In Gum Deniz, seven workovers and well service jobs were completed, of which four wells were successfully returned to production during the month.
- Due to "COVID-19" the pandemic virus, WO operations were temporarily suspended in May and June. Offshore workover operations were restored on a limited basis on well #169, on PLT168 in the Bahar field.

d) Construction:

- Offshore construction operations were restored on a limited basis onGZU 2, PLT 168, and PLT 175 in the Bahar field.

e) Subsurface

- The work continues building geo and simulation models for main producing reservoirs in both GD and Bahar fields.
- Simulations are completed for the horizon VIII for the Gum Deniz waterflood pilot areas and also the Bahar Horizon VI.

f) General Management

- BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure the safe workplace for all our employees and contractors. BEOC employees are expected to be able to return to general working conditions after August 31, 2020, and BEOC management will monitor the situation and consult with SOCAR before taking any unnecessary risks with our employee's health.

I - HEALTH, SAFETY & ENVIRONMENT: *Reported by Nuslet Safarov Head of HSE Division*

a) Summary: HSE:

- 0 near-miss incident was recorded in July;
- TRIR is 0 by the end of July.

b) Monthly Safety statistics for June 2020

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	133831	0	0	94
February	0	118773	0	1	76
March	0	128686	0	0	54
April	0	93337	0	0	27
May	0	109502	0	0	33
June	0	118542	0	1	51
July	0	121799	0	0	44
Total	0	824470	0	2	379

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 recorded during this month.

d) HSE Activity

- HEALTH:

HSE department has been taking preventive disinfecting actions in the BEOC buildings and main roads 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 have started disinfecting the company rented buses as the number of confirmed cases of COVID-19 continues to rise.

Installed 25 special dispensers for hand sanitizer regularly control and fulfil by HSE representatives at the BEOCL premises

The body temperature of the workers coming to the work places have been measuring by a remote temperature meter at the "Gum-Deniz" island Checkpoint, and the workers with high temperatures are sent to the medical facilities located in the residential area.

Snake repellent treatment was proceeded to carry out at the Office administrative building's vicinity and at the site workshops.

30 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.

BEOCL drivers passed through daily medical examination before work commencement.

- SAFETY:

- 8 Safety inspections of BEOC sites and work performance were carried out.
- General HSE induction was conducted for 6 newcomers/ visitors.
- 18 STOP cards were collected from BEOC facilities/Workshops/Platforms. All issued Cards were registered, tracking is in progress.
- The HSE Audit Permits to Work and associated certificates, verification, risk assessments, and other related documentation were monitored.
- The firefighting equipment monthly inspection was provided and reported. The 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	N/A	N/A	N/A
February	N/A	N/A	N/A
March	N/A	N/A	N/A
April	N/A	N/A	N/A
May	N/A	N/A	N/A
June	N/A	N/A	N/A
July	N/A	N/A	N/A
Total	0	0	0

- The waste segregation process was supervised by the HSE division.
- BEOC sewage water was disposed of through the Hovsan Sewage treatment plant.

e) Training and other activities:

- As a part of HSE assurance plan 2020 Safety Stand down Meetings were conducted at the BEOC worksites in the following themes:

“Bus driver responsibility during the pandemic period” for 13 employees.

“Basic offshore safety rules” for 30 employees

The total participants were 43 workers.

II - PRODUCTION / OPERATIONS: *Reported by A.Gurbanzade*

a) Production year to date is shown below:

OIL and GAS Production 2020 Budget and Actual																		
Jul-20	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	93	7.41	686	94	693	109	807	503,369	17,776,476	2,963	493,553	17,429,824	2,905	580,000	20,482,700	3,685	3,656	4,491
February	85	7.47	634	86	644	109	807	520,695	18,388,344	3,065	510,541	18,029,755	3,005	616,000	21,754,040	3,913	3,709	4,720
March	86	7.47	640	86	645	110	814	563,562	19,902,192	3,317	552,572	19,514,080	3,252	617,000	21,789,355	3,920	3,962	4,734
Q1 Average	88	7.45	653	89	661	109	809	529,209	18,689,004	3,115	518,889	18,324,553	3,054	604,333	21,342,032	3,839	3,776	4,648
April		7.47		86	642	110	814	556,996	19,670,314	3,278	546,134	19,286,722	3,214	615,000	21,718,725	3,907	3,921	4,721
May	55	7.46	409	80	596	110	814	571,667	20,188,420	3,365	530,309	18,727,862	3,121	623,000	22,001,245	3,958	3,961	4,772
June	80	7.46	600	80	595	110	814	572,778	20,227,655	3,371	525,926	18,573,077	3,096	636,000	22,460,340	4,040	3,966	4,854
Q2 Average	45	7.46	336	82	611	110	814	567,147	20,028,796	3,338	534,123	18,862,554	3,144	624,667	22,060,103	3,968	3,949	4,782
July	80	7.43	595	66	489	110	814	567,785	20,051,327	3,342	540,580	19,090,583	3,182	644,000	22,742,860	4,091	3,830	4,905
August																		
September																		
Q3 Average																		
October																		
November																		
December																		
Q4 Average																		

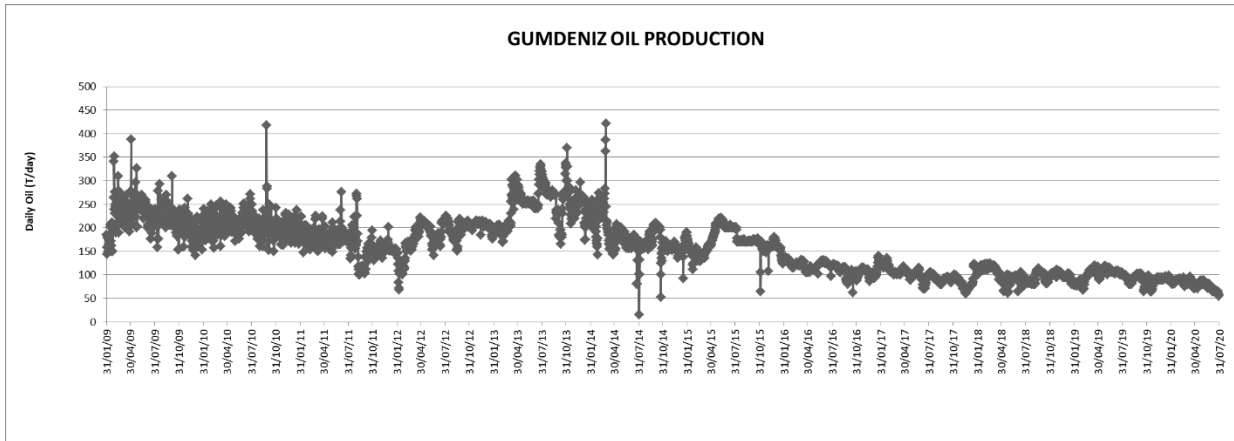
b) Production – Gum Deniz

- The production rate of the Gum-Deniz field averaged 66 tons/day;
- During the report covering period we haven't delivered any solution gas ;
- The volume of gas used by compressors on internal needs for oil refinery is 2,790,000 m3(90 000 x 31)
- The chart below shows the reasons for oil production decrease:

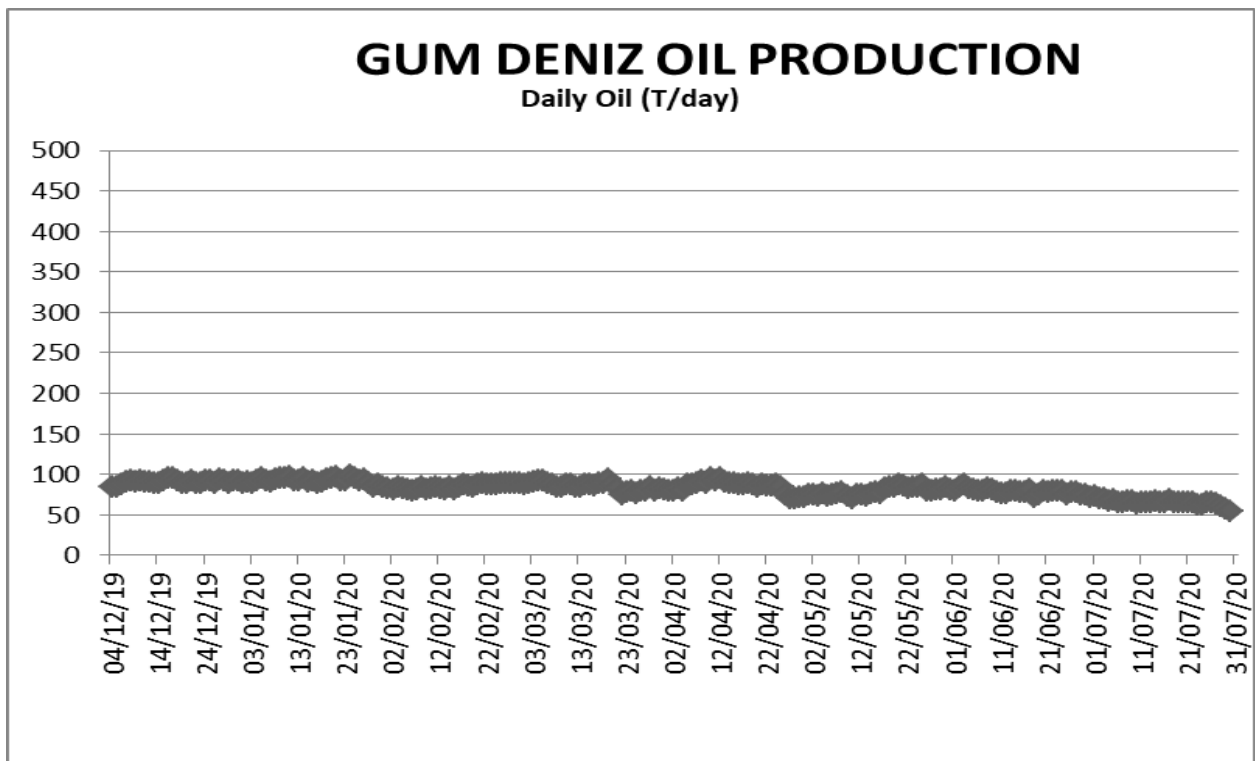
Oil Production Rate Differences Between June and July 2020																																	
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
June 2020	1.3	2.2	0.6	0.0	2.5	22.0	4.4	0.0	9.8	4.1	3.9	0.0	0.0	0.5	6.8	2.1	0.0	4.2	0.9	2.0	2.2	2.1	4.2	6.5	2.3	1.6	6.1	1.6	1.5	9.5	0.6	1.1	106.5
July 2020	1.5	2.0	0.6	0.0	3.3	22.0	4.1	0.0	11.0	0.5	0.7	0.0	0.0	0.2	4.2	2.2	0.0	0.9	0.8	2.1	2.3	2.1	3.5	6.3	1.1	1.3	5.7	1.4	1.3	9.3	1.1	1.1	92.7
Difference																										-13.9							

- Water injection to GD-520 well continues.
- The Schlumberger ESP was replaced with SOCAR ESP in the well GD-465
- Due to production decrease in the well#GD-417 WO were carried out and completed by Schlumberger ESP.
- WOs and completion were completed in the well#GD-477.
- WOs were completed in the well GD-476, started to pump water for injection.

c) Year to Date Production: Gum Deniz



d) Oil Production for Last Six Months



e) Production – Bahar

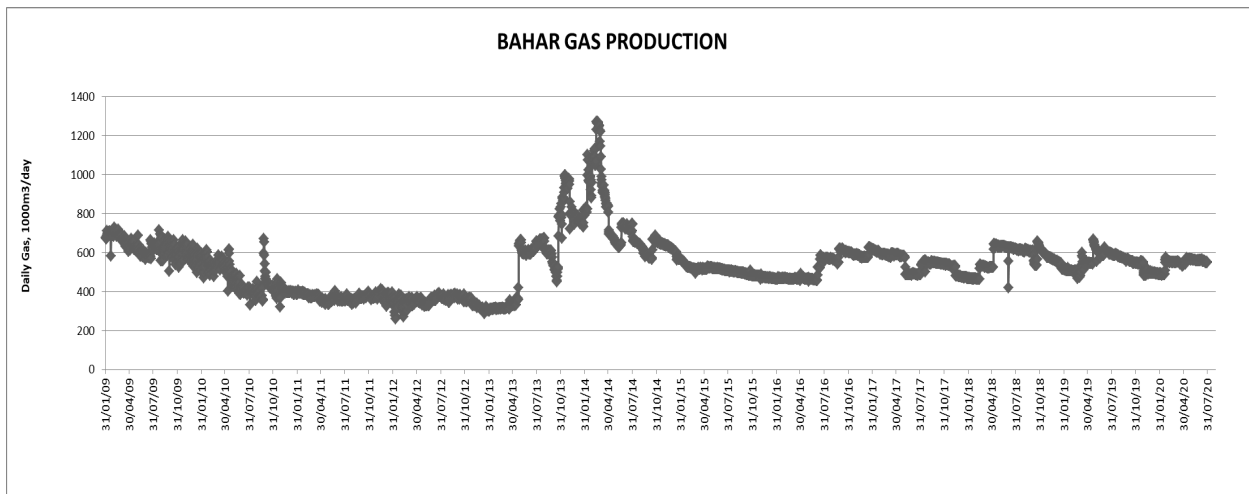
- Bahar daily gas delivery realized as an average of 567 785 m3/day.
- Gas delivery was 20.05 MMcfd.

The chart below shows the reasons for gas delivery decrease:

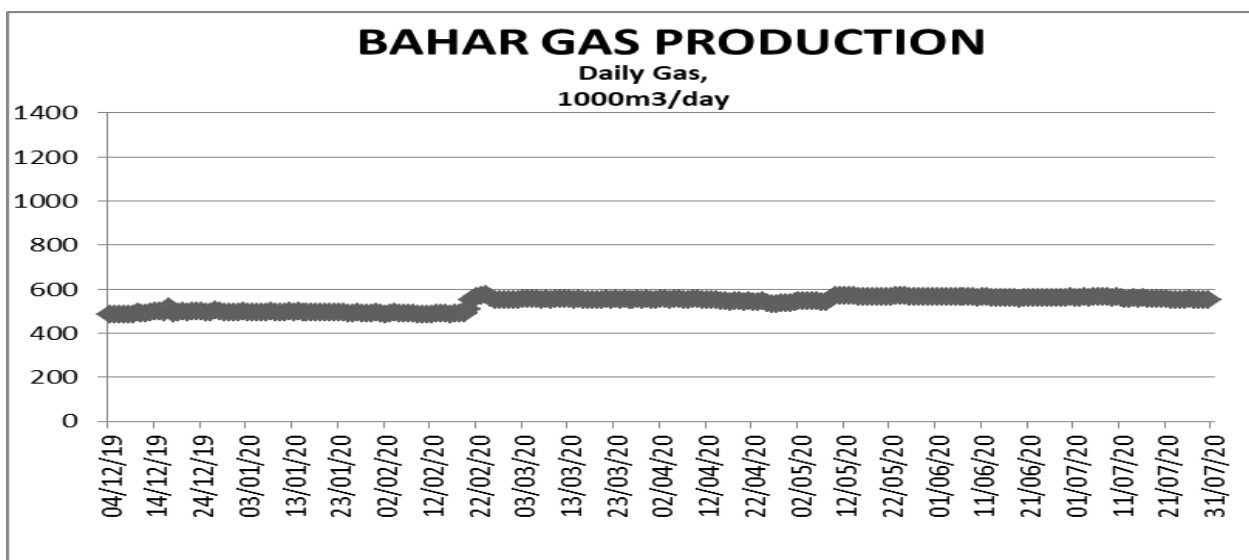
Gas Production Rate Differences Between June and July 2020												
Date / Well#	83	140	144	167	170	171	175	179	182	205	241	Total, x1000 m3
June 2020	37	50	27	67	121	43	77	75	1	21	49	568.0
July 2020	37	50	26	64	121	42	78	75	1	20	49	563.0
Difference												-5.0

- WOs in the well were stopped in the well 169 on PLT.168 at Bahar field.
- The construction division's team has started works on GZU.2, PLT.168 & PLT.175 at Bahar field.

f) Year to Date Production: Bahar



g) Bahar Gas Production for Last Six Months:



h) 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 Department”.
- Line connection works of 20” production line considered between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit are currently ongoing by Construction team
- In regard with removal of Gas Distribution Point at causeway connected PLT450 “Construction Department” initiated installation of 3 ea of 2.5” gas lift lines from causeway connecting PLT009 to PLT450 in Gum-Deniz Field, works are currently ongoing.
- The replacement of an old 8” gas lift line with processed water line along the entrance road carried out by “Construction Department “is currently ongoing
- BEOCL’s ADPM type unit consisting of 2-parts was repaired at “Baktexmash” factory, delivered and tested, after all it was considered satisfactory and was re-commissioned.
- 20” production line along the causeways at Gum-Deniz field was decommissioned due to detected leak, in order to carry out repair works safely, flushing works has commenced.

(July 2020)	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	8
Fluid level survey	77 (16 wells)
Sulfanol treatment in wells	-
Salinity measurement in wells	83
Soap stick application in gas wells	-

i) Transportation Division:

Auto-Transportation Field Report for July 2020								
Description	Number	Work hours	Moto hours	Repair Hours	Milage km	Amount of works carried out		
						Number of Vehicles/hourly	Number of Vehicles/monthly	Number of Vehicles/daily
TRF	68							
Pulling Units serving for WO	9	768	768	66				
Stationary Type Pump (V-12)	1	82.5	82.5	4				
Drawwork (QBQ-120)	2	326	326	8				
Mobile Boiler Truck (Consisting of two parts)	1	7	7	7				
Cement Trucks serving all BEOC Departments	11	1440	168.7	75	3			
Water Tank Trucks of Autotransportation Workshop	3	520	63	15	3954			
Other vehicles of Autotransportation field	7	916	47.3	17	123.8			
Number of Trucks put back into service after a long term repair works								
Rented Heavy/Civil Plant trucks						10/122,5	4/months	3/18
Buses and Minibuses by Service contract							16/months	

Logistic Report for Lifting Operations for July 2020			
01.07-31.07			
Months	Orders	Weight (kg)	Hours
GENERAL	<u>Total: 68</u>	<u>Total: 1014000</u>	<u>Total: 169</u>

Marine Transportation Report for July 2020								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	20 days			1,172,962 kg	NO		TOTAL-41	TOTAL-8
MAGIC-1	19 days	244	215		NO			
XEZER-3	2 days			337,000 kg water	NO			

j) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2020

ACTIVE ENERGY	Kwatt							
LOCATION	January	February	March	April	May	June	July	TOTAL
GumDeniz - Field	900,000	742,000	805,600	800,000	812,000	798,000	714,000	5,571,600
Compressor station 14	260,000	90,000	110,400	105,000	111,000	220,000	686,000	1,582,400
Compressor station 1	356,000	215,000	249,000	253,000	274,000	410,000	405,000	2,162,000
Compressor station 2	530,000	470,000	498,000	481,000	499,000	600,000	828,000	3,906,000
Automotization Industrial Processes	7,200	6,286	7,986	7,829	8,794	8,708	8,246	55,049
Electric workshop	7,500	6,500	10,980	9,032	8,995	8,809	8,347	60,163
Oil Process	80,000	66,000	84,560	79,500	86,500	88,500	75,000	560,060
5000 area	152,000	132,000	178,000	172,000	173,000	171,000	180,000	1,158,000
Gas Process	8,662	8,261	11,170	8,437	3,592	3,253	3,767	47,142
Workover	43,324	40,128	57,960	56,010	60,173	57,302	56,840	371,737
Offices	83,700	77,900	79,060	40,060	44,223	52,100	51,638	428,681
Transportation	42,032	38,900	48,700	46,750	52,816	48,405	47,943	325,546
Laboratory	23,015	21,130	23,230	20,685	23,848	21,203	20,741	153,852
Construction	12,102	10,400	15,493	18,350	23,339	20,489	20,489	120,662
Water supply	167	146	129	31	28	52	49	602
TOTAL -KW	2,505,702	1,924,651	2,180,268	2,097,684	2,181,308	2,507,821	3,106,060	16,503,494
0.076271187								
COST AZN total	191,113	146,795	166,292	159,993	166,371	191,274	236,903	1,258,741
REACTIVE ENERGY kVAR								
AZN/KVAR 0.00104								
kVAR	1,056,804	1,141,576	1,179,464	1,143,362	1,254,237	1,678,234	2,007,753	9,461,430

k) Workovers:
Bahar WO's

- BHR 169 – Moved crew. Got ready all related equipment. MU nd RIH w/114mm JM BHA. Tagged top of sand at 3639 m, milled / cleaned sand, milled through perforation interval at 3776 – 3780 TM (3765 – 3775 WM perf. Interval) metal shavings were in return, continued milling / cleaning, from 3844 m milled cement down to 3888 m. From 3888m to 3892 m milled / cleaned scale and sand. Tagged top of fish at 3892m. Milled fish down to 3956.78m. will pull and RIH w/open end to clean metal debris from top of fish.

Gum-Deniz WO's:

- GD 476 – Moved Rig back onto the well from G477. Successfully completed the well recompletion plan. RIH w/93mm STC, cleaned the well to 2395m. Re-tag at same depth after 24 hour, POOH. Perforated at 2367-2375m interval with 86mm Casing Gun. RIH w/Injection string BHA. Packer set at 2301m. Well under injection.
- GD 477 – Successfully completed the well recompletion plan. Perforated at 2396 - 2410 m interval w/86mm casing gun. RIH PS 8 ea. GLV landed at 2304m. Well was put back on production.

- GD 456 – Execution of the “Remedial cementing / zone isolation” plan been started. Pulled PS. RIH w/123mm taper mill BHA. Reamed casing tight spots. Casing was scraped to 3207m. Will continue w/ remedial cementing job to isolate high water cut production from 3167 - 3169m interval and produce the well from Hor. NKP.
- GD 449 – Pulled PS, observed string ripped off from tubing coupling. RIH w/spear BHA, engaged to fish at 449 m. Couldn't move, released. RIH back with pin end, screwed in, couldn't move, on each pull attempt thread ripped from coupling. Pulled. RIH w/Overshot BHA, engaged to fish, tool released on each pull attempt. Decision been made to suspend fishing operation. Rig prepared to move to G445

South Gum Deniz WO's.

- GD 417 – Due to production fail, POOH and LD w/ ESP assy. Observed hole on tubing at 1360.98m. MU and RIH w/ same ESP Assy. with new tubing string. Landed at 1816m. Well was put back on production.

GUM-Deniz WS and Optimization:

- GD 465 – Based on SOCAR ESP Inst. Project, POOH and LD w/ SLB ESP Assy. Checked PBTD at 3395m. RIH w/ 93mm STC, cleaned the wellbore from sand plug till PBTD at 3467.62m, POOH. MU and RIH w/SOCAR ESP Assy. Landed at 2514m. Well was put back on production.

- Monthly / Annual Workover Statistics

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	11	6
February	10	6
March	8	2
April	6	5
May	7	6
June	4	3
july	7	4
Total	53	32

- Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 169	Fishing / Recompletion	40-2-169-01-20	22M \$	405M \$	382M \$
GD 477	Recompletion	40-1-477-02-20	38M \$	40M \$	2M \$
GD 476	Recompletion	40-1-476-01-20	103M \$	31M \$	-72M \$

- Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 465	Optimization / ESP Inst.	15.4M \$
GD 417	ESP Replacement	9.5M \$
GD 456	Remedial Cementing Job	17.5M \$
GD 449	Well Service	7.4M \$

I) Construction Department

CONSTRUCTION PROGRESS REPORT FOR JULY 2020

#	Field/Location	Work Description	Status
	Gum-Deniz		
1	Gum-Deniz, PLT-208	Repairs completed on 53m derrick	completed
2	Gum-Deniz, PLT-209	Repairs completed on the pedestal of the derrick at well# 449	completed
3	Gum-Deniz, PLT-210	2 ea of submersible pumps were pulled out of water/sea, flush clean, put back to work.	completed
4	Gum-Deniz, PLT-208	Works and repairs have commenced on assembling and installing the gas manifold of well # 456 and linking the newly laid 2.5 "gas lift line with Gas Distribution Point and well#456. The gas manifold assembling works are carried out. on-going.	in progress
5	Gum-Deniz, PLT-2	A staircase made of scaffold material was assembled to climb the pedestal. The repairs is completed	completed
	Bahar field		
6	Bahar, GZU-1	Piles hammering works have been completed to go on with collector spool, 2 separators, the accomodation of waste water lines . Work is carrying out on connection of existing piles with new hammered ones.	in progress
7	Bahar, PLT-168	The repair of the workfloor of the well#165 and rotary supports	in progress
8	Bahar, PLT-175	In the northern part of the PLT, repairs and works on reinforcement by suspension of separators located area , and preparations are being made for the repair of the dock on the west side of the residential area.	in progress

Additional Works

1	The installation of shelves for the collection of goods and materials has been suspended In the hangar No. 1 of the central warehouse area,	suspended
2	"The engine base of 2SQ-50 type compressor unit No. 12 was repaired in the machine hall of compressor station No. 14 and the inlet-outlet pipelines to the machine were connected at CS, Gas Collection and Transportation areas. Waiting on unit to put in place. Work is temporary suspended.	suspended
3	Repair works on the crashed/bad supports and crossbars in the area between the "Turn to the base" at the causeways and PLT2 at Gum-Deniz field. Repairs are on-going.	in progress
4	Linking works of 4th, 1st tanks and 12" line @ 5000m3 area of Pump Station and Oil Preparation & Transportation field were completed. Pipeline supports' installation works are being carried out.	in progress
5	Pipe-fitting joints were fabricated at department's workshop for repair of the platform and placement of the collector spools, 2 separators, technological pipelines at GZU # 2 "Bahar" field. Works are on-going	in progress
6	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 pipeline supports. Works are on-going.	in progress
7	The old poles of 35/6 kV HPP in the area in between "Pump Station and Oil Preparation & Transportation field" and "Hovsan" road were cut off and transported to the island from the area surrounding Zyxh Field/ station. Repairs completed	completed
8	Repairs carried out on gas and fluid manifold assembling located at well#477 PLT450 on Gum-Deniz field. Repairs were completed.	completed
9	The repair of the outlet salt water line of the pump No. 12 12 NDS type in the water pumping station of the compressor station No. 1 of "Pump Station and Oil Preparation & Transportation field" was partly completed. The linking to existing system is temporary suspended.	suspended

a) Additional Works

IV – SUBSURFACE: *Reported by Ray Larijani*

Workover Programs prepared

- GD-465 POOH production tubings with ESP, check TD with GGI, if there is a sand plug clean down to TD with sand bailer, if not successful, use fraizer to clean sand plug. Run tubing with ESP.
- GD-417 Pull the tubing string with ESP out of the well. Inspect the condition of the pump and Run 1800m 2 7/8" tubing(new) with ESP.
- GD-456 Check for fluid loss in NKP Horizon in the interval of 3167-3169 m. If there is fluid loss to the formation in the given interval, do the cementing job. RIH 2 7/8" tubing with gas lift valves.

Wells logged/re-logged

None

Wells completed

- B-169 Fishing/Recompletion. Cleaned till 3956.78 m. Continuous. Expected gas rate is 40 Mm3/d. Actual cost 22M \$.

- GD-477 Recompletion. Perforated at 2396-2410m. RIH production tubing with gas lifts valves. Well is under monitoring. Actual cost 38M \$.
- GD-476 Recompletion. Water Injection. Perforated at 2367-2375m. RIH with injection string BHA. Injection started. Actual cost 103M \$.
- GD-465 Optimization/ESP Installation. RIH with SOCAR ESP Assy. Well put on production. Actual cost 15.4M \$.
- GD-417 Optimization/ tubing replacement. Well is under monitoring. Actual cost 9.5M \$.
- GD-456 Optimization/Cementing job. Casing scraped till 3207m. Plan is to isolate high water cut production from 3167-3169m and to produce from horizon NKP. Actual cost 17.5M \$.
- GD-449 Well service. Not successful. Actual cost 7.4M \$.

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

a) Cased-hole logging

- Interpreted logs from GGI: none <<Did we not run a PLT in 476??>>

b) Geology

- Bahar FS-BX-BIX Geo modeling completed.

c) Reservoir Engineering

- GD horizon VIII history matching completed.
- Bahar horizon VI history matching completed.
- Bahar IX, X, FS hydrodynamic model initialized.
- 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.

d) Seismic

- GD BVIII-BIX-BX fault system review in the central part of production area based on the updated well data is completed.
- GD B X fault system review based on the old seismic data has started.

e) Task Scheduler

No.	Tasks started	Start date	Provisional completion date	Completion date
GD Field				
1	GD NKP Simulation and Forecast	30 June 2020	31 December 2020	
2	GumDeniz BX fault system review based on the old seismic data has started.	15 July 2020	31 August 2020	
Bahar Field				
1	Bahar FS-BX-BIX Geomodeling, Simulation & WO Candidates Forecast	12 May 2019	30 September 2020	
Completed				
1	GD BVIII-BIX-BX fault system review in the central part of production area based on the updated well data is completed.	15 June 2020		31 July 2020
2	Bahar horizon FS-BX-BIX contacts definition has started.	30 June 2020		31 July 2020
3	GD horizon VIII history matching completed.	25 February 2020		31 July 2020
4	Bahar horizon VI simulation completed.	30 June 2020		31 July 2020

V - FINANCE: *Reported by Rasul Gafarov*

a) On a Monthly Base:

- Completed Jun-20 accounting cycle in accordance with the monthly schedule.
- According to JOA issued May -20 Monthly reports to Contractor Parties.
- According to JOA Jul – 20 and Aug-20 Cash Calls dis tribute to Contractor Parties.
- Issued Jun - 20 Additional Monthly reports to Contractor Parties.
- Issued and distributed Jun-20 Monthly departmental cost reports to Budget Holders / Department Managers.
- Issued and submitted Jun - 20 monthly reports to government bodies, including but not limited:
- Prepared and submitted monthly Jun - 20 Financial Highlights report to the Management.

b) On a Quarterly Base:

- Issued and submitted 1Q-20 quarterly reports to government bodies, including but not limited:
- VAT, payroll, social fund and statistical reports;

c) On an Annual Base:

Continue preparation for 2019 Audit of below shown reports and actions:

- BEL Group Audit;
- BEOC Cost Recovery Report;
- BEOC Special Purpose Statement;
- BEL Profit Tax Return;

VI – LEGAL PROCESS AND HUMAN RESOURCES: *Reported by Ahmadiyya Musayev*

a) Legal, Compliance, Document Control & Translation issues

- Letter was prepared and sent to the President of Azerbaijan and to President's Administration regarding delays of payments for natural gas sold;

- Necessary legal support and follow-up reporting carried out within the pay reduction program;
- Contacts were maintained with SOCAR and SOCAR Upstream, Cabinet of Ministers Decisions were followed up and subsequent orders were prepared for application at the Rep Office arising from Covid 19 situation;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application;
- Certain incoming letters were addressed with necessary input;
- 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;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

b) HR issues

- 1 employee contract was terminated (due to resignation application of employee);
- 2 term agreements were prolonged;
- Overall 482 HR related operations have been made through this month;
- 246 vacations and 18 bulletins have been written and entered to the HRB system;
- Scanning of employee personal files continued;
- Review and revisions of current job descriptions were ongoing;
- Review of employee personal files continued;
- Coordinating of entering vacation days into HRB system;
- Collecting filled Performance Appraisal forms of Company employees for 2019;
- Various Headcount reports were provided to SOCAR;
- Preparing reprimand letters for 4 employees;
- Electronic permissions were controlled and updated on e-gov to ensure uninterrupted access of employees to working places.

VII– ADMINISTRATION & SECURITY: *Reported by Elshad Hasanov*

Security: *Reported by Masud Shahmaliyev*

- 257 person and 178 vehicles entered to BEOC 197 area based on request issuedea of one time entrance permissions.
- Registration of inflow and outflow of materials, equipment, workers going to the premises via the Access Control Point # 1 is monitored on daily bases.
- Maintaining records in the log book of 236 employees who left for Bahar (working per shift) and checking their availability at work during June.
- On 08,12,17 July 2020 deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel.

- Entry to causeway is prohibited for vehicles weighting more than 3 tons as per the decision of the Company Management. Only in exceptional cases vehicles heavy than 3 tons are allowed on the causeways as per approval of the President.
- 1 letter have been sent to Aghayarov Avtandil, the chief of "Etalon Security" LTD, in order to get the permission certificates for 1 employees and 5 special machine to be able to enter the "BEOCL" area, according to points of the contract.

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

a) Procurement

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

b) Tender and Contracts:

- **Tender Packs on hold – 3**
 - BEOCL 10169 Supply of Steel Materials
 - BEOCL 10171 Supply of Pipes
 - BEOC 10165 CS 2 Gas Separator System Renovation
- **RECOMMENDATION TO PROLONGATION & INCREASE VALUE OF CONTRACTS – 0**
- **NUMBER OF ACTIVE CONTRACTS**
 - OPS/WO/LOG – 97 (incl. 16 transportation services and 19 services contracts for empl.);
 - Construction – 18;
 - HSE – 11 (including 1 service contract for empl.);
 - G&G – 9 (incl. 2 consultancy contracts & 2 contracts for payment purpose only);
 - ADMIN – 18 (incl. 2 service contracts for empl.);
 - HR – 4;
 - ITC – 11;
 - Legal – 16;
 - PM – 13 (incl. 3 contracts for payment purpose only);
 - Finance – 3;
- **NUMBER OF ADDENDUMS / EXTENSION -26**

c) Warehouse and Materials

- 68,948.00 kg handled without incident;

- WHS received 16 PO's, 44 line items for the amount of AZN 91,739.48;
- WHS issued 265 line items for the amount of AZN 643,848.18;
- 18 (eighteen) NCR's raised; 10 (ten) NCR's was closed;
- Fuel station received 0.00 Liter of Diesel;
- Fuel station issued 11,891.00 Liters of Diesel;
- Fuel balance at August 1, 2020, is 42,929.00 Liters:
- Delayed Hanger 1 and 2 floor painting;
- Delayed Video surveillance project;
- Delayed Repair of roads in the territory PPY1;
- Delayed Chemical storage;
- Delayed installation Shelves Hangar 1, 3, 4;
- Operations Monitor at gas station is out of service;
- Waiting building project from construction department (Warehouse Office Building)

IX – IT: *Reported by Eldar Eyyubov*

- No disruption in ICT department
- 91 helpdesk requests were processed
- Faulty A3 printer in MMTIX office was fixed
- 2021 budget draft was prepared and sent
- All empty cartridges were replaced
- 24 Computers were upgraded to Windows 10 OS
- All printers have been checked
- All servers checked and backed up.

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