

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

July 2021

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during July 2021 is below:

a) Health Safety and Environment:

- In July, there were no TRIR's and no other incidents. BEOC's TRIR is 0.24 as of the end of July. 50 PTWs were issued. Environmentally no spills were reported.
- 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 302 employees received their 1st dose and 238 employees received 2nd dose vaccine by the end of July.

b) Production:

- Oil production was 680 Bopd, up 71 Bopd from June 2021, due to reinstalling ESP's in South GD and the recompletion of the GD479 well.
- Gas production was 21.2 MMcfd, which was down 0.2 MMcfd slightly from June production due to natural field decline.
- BEOC also utilized 3.9 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressure, which required additional compression fuel.
- Total production of 4,173 BOE/d in June was less than 1 percent below the Budget forecast for July.

c) Workovers:

- In Gum Deniz, workovers in the GD 465 continues with the GD601, GD430, GD601, and GD 465 wells completed and returned to oil production.
- In Bahar, well BH 196 and 165 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. Continued laying 10" gas transmission pipeline connected to the 35 atm main line where BEOCL natural gas is transported from SOCAR Oil & Gas Production Dept. after 28 May to Gas export dept. Work continues with SOCAR Construction Trust to install the production line between the South Gum Deniz platforms 409 and 412 in September 2020.

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 continues and it will be reviewed with SOCAR Upstream before formal submission to the Steering Committee for approval.

f) General Management

- Preparations for the 2022 WP&B continue, and a CMC meeting will be scheduled for September 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.

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

Head of HSE Division

-No any incident was recorded in July.

-TRIR is 0.24 by the end of July

a) Monthly Safety statistics for July 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
Total	0	817128	0.24	1	364

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. 337 employees got 1st dose and 273 employees got 2nd dose vaccine by the end of July.
- HSE department has been taking preventive disinfecting actions at the BEOC work places against potential Corona Virus infection.
- Before commencing crew change operation for the offshore staff BEOCL organized testing employees for COVID-19 to be confident about health condition of workers.
- HSE department performed 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.
- 35 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 21 newcomers/ visitors.
- In accordance with Local regulation the Health and Safety knowledge evaluation of 14 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
Total	0	0	0

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water 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 in the following themes:

“Safe transportation, loading and handle comprised gas cylinders” for 7 employees

“Safe welding and grinding operations” for 19 employees

“Working at height” for 20 employees

“Safe and correct usage of PPE and CPE” for 20 employees

Total participants were 66 workers.

// - PRODUCTION / OPERATIONS: *Reported by Aliiskender Gurbanzade*

a) Production is shown below:

OIL and GAS Production 2021 Budget and Actual																			
Jul-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			0		0		0								0	0	0	0	
September			0		0		0								0	0	0	0	
Q3 Average			0		0	0	0							0	0	0	0	0	
October			0		0		0								0	0	0	0	
November			0		0		0								0	0	0	0	
December			0		0		0								0	0	0	0	
Q4 Average			0		0	0	0							0	0	0	0	0	

a) **Production – Gum Deniz**

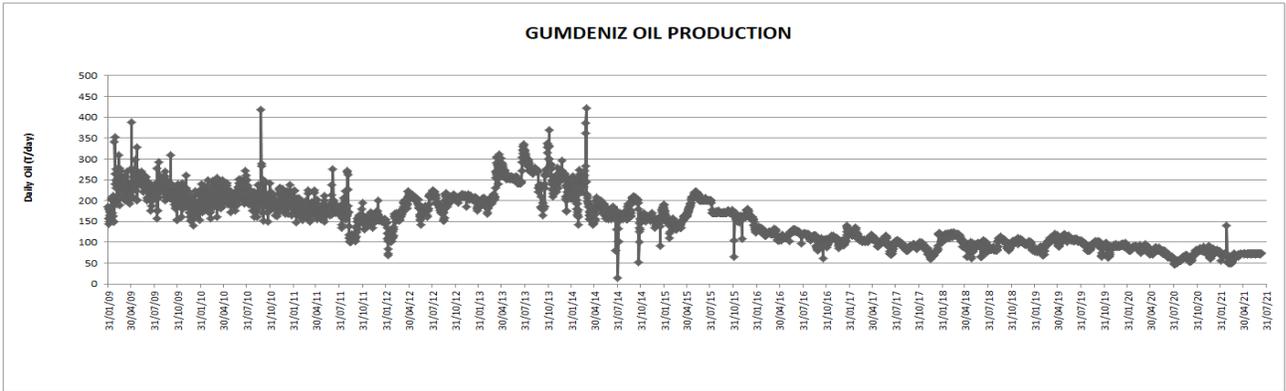
- Production rate of the Gum Deniz field averaged 91 tons/day. Təhvil 95 tons/day .
- During the report covering period we haven't delivered any solution gas, the volume of gas used by compressors for internal needs for oil refinery was 2 945 000 m3 (95 000 x 31).

The chart below shows the reasons for oil production increase

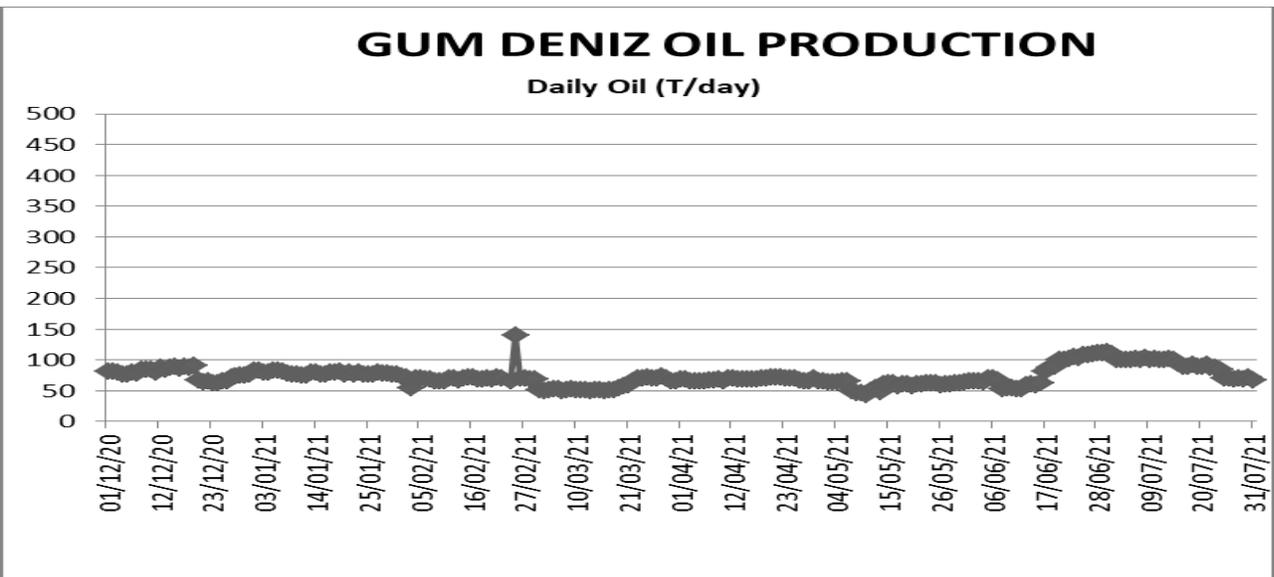
Oil Production Rate Differences Between June and July 2021																																			
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3	
June 2021	1.2	2.2	0.7	0.0	4.1	16.3	1.2	0.9	5.8	0.0	1.6	1.6	0.0	0.0	0.4	3.0	1.8	0.0	0.9	1.6	1.1	2.3	1.6	3.6	6.2	2.1	7.0	20.2	1.8	0.0	7.0	3.6	0.6	100.1	
July 2021	1.1	2.2	0.7	0.0	4.0	14.0	0.0	1.5	10.9	0.0	1.6	1.4	0.0	0.0	0.9	3.0	1.8	0.0	0.0	1.0	0.8	2.1	2.2	3.6	6.1	3.6	5.2	32.3	1.7	0.0	6.5	1.7	0.6	110.3	
Difference																																			
																																			10.2

- Due to “Schlumberger” ESP went out of order in GD-430 well went under WO, ops on-going.
- In order to inject water from well GD-448 to 520 SLB ESP was stopped and POOH.GD-448 saylı
- Due to “Schlumberger” ESP went out of order in GD-716 well went under WO, ops on-going.
- GD-601 WOs have been completed, completion done.
- GD-465 due to low productivity, well went under WO, was continue.

b) **Year to Date Production: Gum Deniz**



c) **Oil Production for Last six months.**



d) **Production – Bahar**

- Bahar daily gas delivery realized as an average of 545 596 m3/day
- Gas delivery was 19.267 MMcfd.

The chart below shows the reasons for gas delivery increase.

Gas Production Rate Differences Between June and July 2021													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
June 2021	34	47	40	33	84	112	37	76	75	1	19	43	601.0
July 2021	34	44	40	35	80	112	36	76	75	1	18	43	594.0
Difference													-7.0

- WOs continue in the well 196 at PLT196 of Bahar field
- WOs continue in the well 165 at PLT168 of Bahar field.
- Construction crews continue repairs on PLT20 & PLT65 at OGSU.2 of Bahar field.

Work carried out by "Şıxlinski" crane vessel during report covering period:

- Loaded on-board 1 panel 10x10, 6 boatlandings from "Zira" port.
- Loaded on-board 28m derrick from over the well144 at PLT48 Bahar.
- Unloaded 1 panel 10x10 and 28m derrick to the PLT20 Bahar.
- Unloaded 6 boatlandigs to PLT196 Bahar and loaded on-board from the sam PLT the PS120t and "İlkin" s crane trck(reg.num. 99-SH-744).
- Unloaded "İlkin" crane trck(reg.num. 99-SH-744) & PS120t to GD PLT2 GD. Has left BEOCL area.

Work carried out by " Atlet-5" crane vessel during report covering period

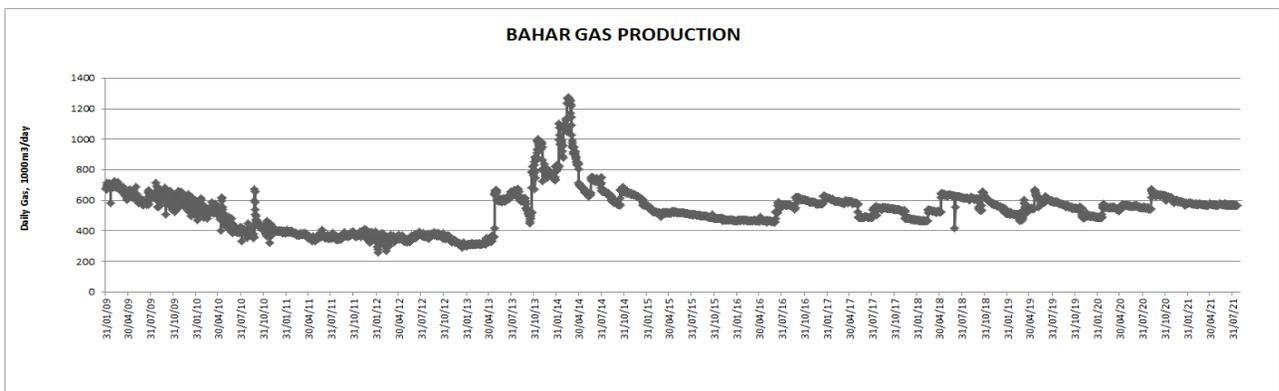
- Unloaded to PLT65 "Bahar"; 20 pcs of flooring sheets, 3 pcs of steel sheets, 20 pcs of metal sheets, 10 ea of 160mm steel beams, 8 pcs of 600mm steel beams, 8 pcs of 500mm steel beams, 8 pcs of 400mm steel beams, 10 pcs of 300mm steel beams, 14 pcs of angles, 13jts of 8" pipe, 2jts of 10" pipes.
- Loaded on-board 2 panels 10x10, 1 empty 1m3 plastic tank from PLT83/162 "Bahar" .
- Loaded on-board 1 unit Power Swivel, 9 jts of wash pipes, 2 jts of Drill collars from PLT196 "Bahar".
- Unloaded 1 unit Power Swivel, 9 jts of wash pipes, 2 jts of Drill collars to PLT168 "Bahar";
- Unloaded 2 panels 10x10, 20 plastic 20m3 water tanks to PLT65 "Bahar", carried out following relocation: 2 "ETEAKTS" living shacks, 2 diesel generaors, 1 diesel fuel 10m3 steel tank, 1 panel 10x10 belonging to construction division.
- Moored to PLT208 Gum-Deniz. Couldn't pick up 2 diesel generators and moored off.
- Moored to PLT450 Gum-Deniz, loaded on-board 1 diesel generator, 2 cable spools of "Schlumberger" & 1 plastic 1m3 fuel tank full of diesel.
- Loaded on-board 1 Power swivel of WO, 300l of fuel in 1m3 plastic tank from PLT009 Gum-Deniz.
- Unoaded 1 generator, 2 cable spools with cable on, to PLT412 Gum-Deniz. Relocated 1 empty 20m3 steel fuel tank, 1 stabbing mat, rig skidding equipment, 1 cable spool.
- Was on raid at Bahar field till morning. Unloaded 1 power swivel, 1 plastic 1m3 fuel tank full of diesel, 300l of fuel in 1m3 plastic tank to PLT196 Bahar. Left BEOCL field.

Work carried out by " Atlet-2" crane vessel during report covering period.

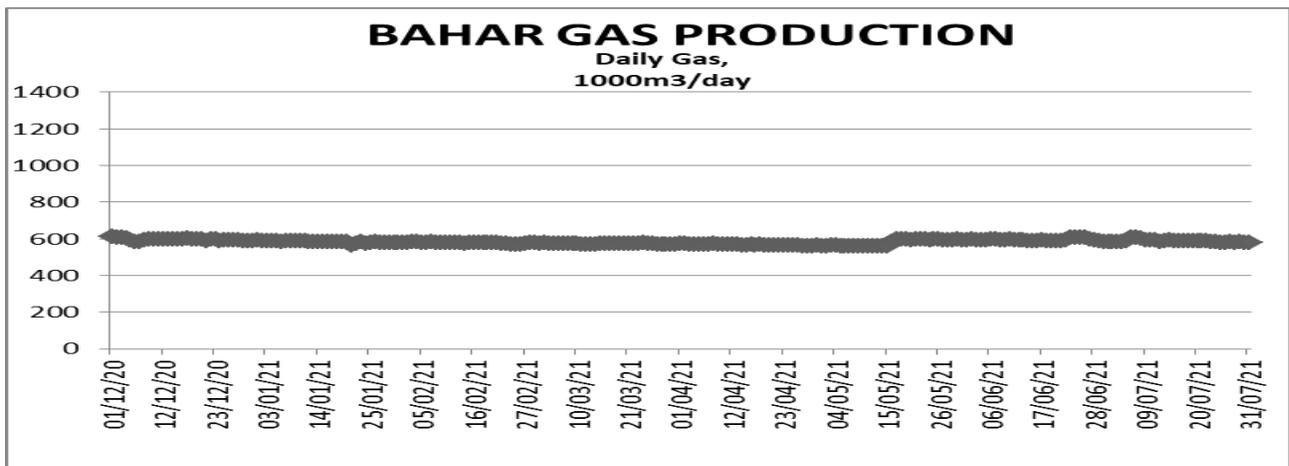
- Loaded on-board 50 jts of drill pipes, 1 power station, 1 cable spool with cable on, wellhead equipment from "Ulluçay" crane vessel at Ship Repair Plant.
- Unloaded from "Magic" ship board to Hovsan port 2pcs of A-50 rig engine supporting frame, loaded on- board 25 tonner mobile crane (reg.num.99-VX-490) 20pcs of floormats, 8pcs of 60mm steel beams, 16pcs of 40mm steel beams, 9pcs of 40mm angles, 14 pcs of 8mm metal sheets, 1 metal sheet 10mm, 20pcs of 16mm steel beams, 5 pcs of 140mm steel channel, 10pcs of 65mm angles, 2 jts of 8"pipes.

- Loaded up on-board from Gum-Deniz PLT450 3 plastic tanks 1m3 each of fuel, 1 barrel of lubrication oil, 1 spool with drill line on for WO, 1 set of Power tongs with power pack, 14 cylinders full of oxygen, 2 pcs of empty cylinders basket, 6 IBC of methanol, Rakurs equipment, 1 unit of diesel-electric plant.
- Loaded up on-board 1 power swivel, “V12” skid pump, 1 water tank from PLT002.
- Unloaded 1 mobile crane with reg.num.99-VX-490, 1 full 1m3 plastic fuel tank to PLT412.
- Unloaded “V-12” skid pump, 50 jts of drill pipe, 1 barrel 200l of lubrication oil, 1 spool of drill line for WO, 1 plastic 1m3 tank with fuel, IBC methanol, to “Bahar” PLT168 and loaded on board 2 hanger flanges, 1 ext.spooler, 6 empty 1m3 platic tanks .

e) Year to Date Production: Bahar



f) Bahar Gas Production for Last Six Months.



g) 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 ong oing by “Construction Division”.
- Relocation of gas / fluid measuring junction continues at 470 belonging to “Gum-Deniz” area.

- Due to removal of Gas Distribution Point at causeway connected to PLT450 “Construction Department” initiated laying of 3 ea of 2.5” gas lift lines running from causeway PLT009 to PLT450 at Gum-Deniz Field, connection works will be proceeded
- Several leaks occurred in 6 ”sub-sea production lines between PLT 409 and 412 and 8” sub-sea production line between PLT409-PLT208 and were eliminated by diving crews.
- Continue laying 10” gas transmission pipeline connected to the 35atm main where BEOCL natural gas is transported from SOCAR Oil & Gas Production Dept. after 28 May to Gas export dept.

July 2021	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	6
Hot Light Oil Operation in wells	8(6 wells)
Fluid level survey	69(18 wells)
Sulfanol treatment in wells	1 (1 well)
Salinity measurement in wells	68 (31 wells)
Soap stick application in gas wells	-

h) Auto-Transportation Sub-Division.

Report for July 2021								
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	164							
Pulling Units serving for WO	9	567	567	142				
Stationary Type Pump (V-12)	1	78.5	78.5	2				
Stationary Type Pump (V-16)	1							
Drawwork (QBQ-120)	2	393.5	393.5	9				
Mobile Boiler Truck (Consisting of two parts)	1	5.5	5.5	3				
Cement Trucks serving all BEOC Departments	11	2172	251.5	96	60			
Water Tank Trucks of Autotransportation Workshop	3	424	58	63	3686			
Other vehicles of Autotransportation field	7	952	92.3	16	1155.8			
Fire trucks	3			1				
Additional repairs of Transp.field	2			10				
Number of Trucks put back into service after a long term repair works								
Rented Heavy duty trucks						12/127	7/months	10/45

Logistic Report for Lifting Operations for July 2021			
01.07-31.07			
Months	Orders	Weight (kg)	Hours
GENERAL	Total: 164	Total: 1356000	Total: 491

i) Marine Sub-Divison.

Report for July 2021								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	5 days			88,100 kg	NO	24 days	TOTAL-33	TOTAL-14
MAGIC-1	16 days	309	310		NO			
XEZER-1	1 day			68,392 litr diesel fuel	NO			
ZERDAB-3	3 days				NO			
SHIXLINSKI	1 day			232,000 kg	NO			
SLV-370	4 days			230,000 kg water	NO			
ATLET-2	1 day			130,022 kg	NO			
ATLET-5	2 days			285.700 kg	NO			

j) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2021

ACTIVE ENERGY	Kwatt								
LOCATION	January	February	March	April	May	June	July	TOTAL	
GumDeniz - Field	710,000	640,000	653,000	651,500	527,000	410,000	430,000	4,021,500	
Compressor station 14	73,000	66,000	69,000	68,600	70,000	80,000	970,000	1,396,600	
Compressor station 1	342,000	297,000	317,000	319,500	349,000	300,000	384,000	2,308,500	
Compressor station 2	540,000	478,000	484,000	488,200	539,000	500,000	662,000	3,691,200	
Automotization Industrial Processes	6,800	6,200	6,200	6,000	5,000	5600	6,000	41,800	
Electric workshop	7,100	6,400	6,500	6,500	5,800	6200	6,700	45,200	
Oil Process	90,000	80,000	80,000	80,600	89,600	73000	78,000	571,200	
5000 area	126,000	107,000	108,000	90,000	98,000	75000	63,000	667,000	
Gas Process	6,769	6,033	6,533	6,435	3,148	3175	3,791	35,884	
Workover	30,247	25,220	27,220	26,423	27,625	22412	20,600	179,747	
Offices	40,036	34,061	34,064	34,064	35,266	29065	27,253	233,809	
Transportation	36,078	32,486	35,456	34,456	35,658	23443	21,631	219,208	
Laboratory	13,640	12,217	12,217	11,216	12,418	9212	9,100	80,020	
Construction	39,680	35,250	35,250	35,252	36,454	30241	28,430	240,557	
Water supply	148	116	196	197	59	67	79	862	
TOTAL -kW	2,061,498	1,825,983	1,874,636	1,858,943	1,834,028	1,567,415	2,710,584	13,733,087	
	0.076271187								
COST AZN total	157,233	139,270	142,981	141,784	139,883	119,549	206,739	1,047,439	
REACTIVE ENERGY KVAR									
	kVAR	927,459	735,329	895,218	998,319	1,126,012	1,171,496	1,895,056	7,748,889

k) Workover Division.

Highlights:

Bahar WO's

- BHR 196 – Continue fishing / backing off of stuck LH DP string. Total fished / recovered from the well 370 joints of LH DP, 57 joints to be recovered. Works on progress.
- BHR 165 – Milling LIH NUE tubing string at 3613m, total milled 58m with 114mm Metal Muncher Mill. Plan is to mill to cut pint at 3754m and fish out rest of the tubing string. Works on progress. Ongoing.
- BHR 206 – Based on Bahar WO's plan, moved the 28m derrick onto the well from B144 via Shikhlinskiy crane vessel. Moving rest of the equipment. Getting ready for WO start.

Gum Deniz WO's.

- GD 601 – Due to high water cut, decision been made to provide isolation of new made lower perforation at 3165 – 3168m, 3170 – 3172m by pouring sand and cement dump on top, then produce 3132.5 – 3134m, 3146.5 – 3148m, 3152.5 – 3154m, 3155.5 – 3158m intervals separately.
- Successfully executed the plan by pouring sand, sand top was made at 3164.50m. Dumped cement on TOS / Top of cement plug / PBTD confirmed at 3162.30m. Lower zones at 3165 – 3168m, 3170 – 3172m were isolated. RIH w/ Production String (GLV system), 1452.38m. Well put back on production.
- GD 479 – Lowered the Production String and landed at 1407.74m. Well put back on production.
- GD 502 – WO's for solution gas been deferred due to G716 production stop.
- GD 716 – Rig moved onto the well from G502. POOH and LD w/ ESP assy from 2249.69m. Wireline jobs: Determined PBTD at 2766m. RIH w/ 95mm STC, cleaned well bore down to PBTD. RIH ESP Assy. underway.
- GD 467 – Moved the Rig from G467. Pulled GLV Production string. RIH and cleaned wellbore down to 3387.20m. Logged GR/CBL/QUAD Neutron at the intervals 3380 - 3050m. As per interpretation result, perforated at 3329-3328m(1m), 3310-3308m(2m), 3297-3295.5m(1.5m) intervals with 86mm Casing Guns. Will RIH w/GLV PS.

South Gum Deniz WO's.

- GD 430 – Moved the Rig onto the well. POOH w/ESP Assy. Inspected ESP Assy. no obstacles observed. Note: 7mm OD hole on tubing body at 1170m and ESP power cable parted / damage cable core at the same depth. MU and RIH w/STC 759m. Will clean the well bore down to TD, RIH w/ESP Assy. on 2-7/8" N-80 new tubing string. Works on progress.

Out of Filed.

- Working on the design adaption of 28m Derrick to PL 2 with idea of having heavy Rig on the well for future planned well WO / Intervention.
- Working on straddle packer application for B177.

b) Monthly / Annual Workover Statistics

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	4	1
February	8	3
March	10	4
April	12	4
May	10	5
June	8	5
July	10	2
Total	62	24

c) Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 196	Fishing / Recompletion	40-2-196-01-21	209M \$	238M \$	29M \$
BHR 165	Fishing / Recompletion	40-2-165-01-21	82M \$	308M \$	226M \$
GD 601	Recompletion	40-1-601-03-21	37M \$	41M \$	4M \$
GD 465	Recompletion	40-1-465-02-21	36M \$	61M \$	25M \$

d) Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 716	ESP replace	52M \$
GD 430	ESP replace	24.5M \$
GD 502	Well services	35M \$
GD 448	Well services	13M \$
GD 479	Well services	3M \$
GD 467	Well services	65M \$

/// – CONSTRUCTION: *Reported by Ali Iskender Gurbanzade*

CONSTRUCTION PROGRESS REPORT FOR July 2021

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz,Causeways	Repair and piling of 10 "pipes in order to increase the durability of load-bearing girth rail between the 13th and 14th supports on the causeway between PLT160b & PLT232	completed
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 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	Gum-Deniz, PLT2	Concerning WO of wells 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 & painting of 6th & 7th steel panel 10x10 at PLT209.	in progress
6	Gum-Deniz, Fab.shop	Welding and setting up works in the Fab. shop 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	"BH" 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 6x13m service platform. Have started installation of pipe fittings and comb type separator fabricated in the workshop, on the pannels.	in progress
9	"BH" PLT 65	Moving construction crew to PLT65 to carry out restoration and repairs as well to prepare wells 187, 189, 190 & 191 for WOs. Installation of 8th panel 60mm 10x10. Fabrication of pedestal on the east side of the well191.	in progress
10	"BH" PLT 20	Carrying out repair and restoration works in order to prepare the well 206 for WO located at PLT20 of "Bahar" field, Completed assembling the 4th 10x10m panel. Installation of new panel, rig on the pedestal and fixing-tighting works.	in progress
11	"BH" PLT 48	Repair & installation works as preparation of wells 145 & 146 at PLT48 Bahar field for WO ops.	in progress
12	"BH" PLT 70-106	Mounting of 28m Derrick & 10x10 panels nstallation as preparation for WO of well#74 at PLT106/70 Bh.	completed

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
3	Construction of new oil trap for oil separation and construction of pump station at Oil Prep. & Transportation area, rooms walls and flooring covering with metal sheets. Installation works on PS on going.	in progress
4	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
5	Based on the project, BEOCL Representative Office in the Republic of Azerbaijan works on reconstruction of the separator system, to improve the quality of sales gas from Bahar field in GZU # 2. Carry on with 12" piles hammering over the prepared area.	in progress
6	Construction of entrance road, demolishing existing concrete adn spreading it all around the area, area widening, area levelling and planning, and preparation of concrete slabs for A-80 rig (1-st stage) In order to get well 58 at Gum-deniz field back on production.	in progress
7	in order to re-commission and put back on production the well No. 005, that was suspended for a long time located on 470 in the island area, which has been out of operation for a long time, re-installation and connection of "GSU", "Fluid Measurement" junction and "Household gas" separator located in the area preparation of details in the workshop for laying lines.	in progress
8	Pulling submersible pumps out of pits, that serve for the injection system at PLT209 to clean it (2 units) and cleaning of submersible pumps that serves the technical water line at PLT450 GD.	in progress

IV – SUBSURFACE: *Reported by Ray Larjani*

Workover Programs prepared

- GD-502 Clean till 2250m. Log GR/CCL/CBL/QUAD neutron at 2250-1900 m.
- GD-430 POOH ESP, inspect the condition of the pump, and run 1760 m 2 7/8” tubing with ESP.
- GD-467 Check TD. If there is a sand plug, clean. Log GR/CCL/CBL/QUAD neutron at 3385-3100 m.
- GD-465 POOH the tubing string with gaslift valves. Run 1700m 2 7/8” tubing with ESP.
- GD-601 POOH the tubing string with gaslift valves. Set artificial sand plug at 3166m. Run 1300m 2 7/8” tubing with gas lift valves.
- GD-716 Check TD, if there is a sand plug clean till 2835m. Run 2250 m 2 7/8” tubing with ESP.

Wells logged/re-logged

Wells completed

- B-196 Fishing/Recompletion. Ongoing. Expected free gas rate is 50 Mm³/d from B_VII f/u. Actual cost \$209 M.
- B-165 Fishing/Recompletion. Continues. Expected free gas rate is 55 Mm³/d B_X f/u. Actual cost \$82 M.
- GD-601 Recompletion. Cementing on water produced intervals at horizon PK. Actual cost \$37 M.
- GD-465 Recompletion. Actual cost \$36 M.
- GD-430 ESP Replace. Actual cost \$24.5 M.
- GD-448 Well Service. POOH ESP. Well secured. Actual cost \$13 M.
- GD-467 Recompletion. Plan is POOH tubing string and log GR/CCL/CBL/QUAD neutron Actual cost\$ 65 M.
- GD-479 Well Service. Lowered production string. Actual cost \$3 M.
- GD-502 Well Service. Postponed. Actual cost \$35 M.
- GD-716 ESP Replace. Cleaned till TD. RIH ESP. Well is under monitoring. Actual cost \$52 M.

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

Cased-hole logging:

Interpreted logs from GGI:

Geology

Preparation work for GD-601.

Reservoir Engineering

1. GumDeniz South GumDeniz area simulation and WO candidates forecasting continues.
2. GumDeniz PK and KaS horizon simulation model has been initialized and history match has been started.
3. AWP 2022 production forecasting prepared and provided for budget calculation.
4. WO Success file updated.
5. Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
6. Updated Bahar and GD OFGM database.
7. Updated Daily and monthly Production follow up database.

July 2021 Planned and Fact Production Comparison			
	Plan	Fact	Difference
Oil and Condensate, tons	3425.146	2833.488	-17%
Free Gas, Mm3	25308.085	18581.698	-27%
Solution Gas, Mm3	2801.950	3307.343	18%

Seismic

3D visualization and interpretation of the “Victory” Prospect continues.

Task Schedule

<u>Tasks started</u>	<u>Start date</u>	<u>Provisional completion date</u>
<u>GD Field</u>		
GD South GumDeniz simulation model history matching.	15 June 2021	31 August 2021
GumDeniz area GD-479 geological model.	15 July 2021	31 August 2021
GumDeniz PK and KaS horizon simulation model.	15 July 2021	30 September 2021

V - FINANCE: *Reported by Rasul Gafarov*

a) On a Monthly Base:

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

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

According to JOA and Jun-21 – Jul-21 Cash Calls distributed to Contractor Parties.

Issued Jun-21 Additional Monthly reports to Contractor Parties.

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

Issued and submitted Jun-21 monthly reports to government bodies, including but not limited:

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

VAT, payroll, social fund and statistical reports;

On an Annual Base:

Continue preparation for 2020 Audit of below shown reports and actions:

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

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

Legal, Compliance, Document Control & Translation issues

- Disciplinary proceeding was led and subsequent penalty order issued;
- Hearings of criminal case were attended;
- Administrative case against Labor Inspectorate won at District Court;
- Meeting was held with FHN General Fuzuli Asadov to discuss the fire safety contract;
- Notices of redundancy were served to certain employees in the list;
- Multiple meetings were held with employees on lay off process;
- Structural change orders were drafted and executed;
- Inquiries received from various authorities regarding redundancy were addressed;
- Various SOCAR inquiries for information were addressed;
- Cost saving orders prepared and executed;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents, LoI executed;
- 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; JAFZA renewals and other activities were carried on;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

HR issues

- Use of the outstanding vacations was monitored;
- Interviewing of 3 candidates for Electrical welder position
- To be expired contracts were followed up and management was updated;
- Overall 542 HR related operations have been made through this month;
- Organizational structures have been updated as per last changes
- 181 vacations and 29 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;

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

- Administrative affairs

- The indicators of Azersu water meters were reported;
- Monthly schedules and timesheets for the Administrative department, as well as for their contractors have been prepared;
- MRs were prepared for take-off of the goods entered into Administration warehouse;
- 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 operating systems of the rooms and offices, supervising the cleanliness and tidiness of the offices and rooms was performed;
- Damaged equipment was replaced with new ones in sanitary facilities;
- 2 air conditioners, 2 dispensers and 1 refrigerator was repaired.
- 1 air conditioner moved from John Harkins office to Arif Gurbanov's office;
- 9 new air conditioners were installed;
- 46 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

- Security & Civil Defense activities

- 305 person and 197 vehicles entered to BEOC 241 area based on request issuedea of one time entrance permissions.
- Maintaining records in the log book of 447 employees who left for Bahar (working per shift) and checking their availability at work during July.
- On 10, 17, 30 July 2021 deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel.
- On 10.07.2021, the specialists of department took part in the control of the transfer of 68392 liters of diesel fuel to "Bahar" area.
- 5 letters have been sent to Maarif Ahmedov, the chief of "Tornado-S" LTD, in order to get the permission certificates for 60 employees and 25 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 have been installed at the area, has fully repaired 7 broken cameras in 2 days.
- T-cards control was carried out per the established procedure;
- Civil defense related activities continued per the approved plan.

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

Procurement Division

- 45 MRs & SRs Received;
- 55 POs and SOs prepared in SUN System;
- 0 MRs canceled/oh hold;
- 3 MRs & SRs passed to Contract/Tender;
- 52 MRs & SRs under sourcing stage.

Tendered Contracts under process – 2

- BEOCL 10173 - Rent of ESP's
- BEOCL 10174 - Provision of 2 set VS 28 x 100 WO Derrick;

Number of Active Contracts

- OPS/WO/LOG – 98 (incl. 15 transportation services and 18 services contracts for empl.);
- Construction - 23;
- HSE – 12 (including 1 service contract for empl.);
- G&G – 10 (incl. 2 consultancy contracts & 1 contracts for payment purpose only);
- ADMIN – 19 (incl. 3 service contracts for empl.);
- HR – 5;
- ITC – 12;
- Legal – 16;
- PM – 17 (incl. 1 contracts for payment purpose only);
- Finance – 3;

Materials Division:

- **1,130,702.00 kg** handled without incident;
- WHS received **62 PO's, 242 line items** for the amount of **AZN 1,813,013.27**;
- WHS issued **529** line items for the amount of **AZN 342,371.15**;
- **85** NCR's raised; **32** NCR's was closed;
- Fuel station received **102,588.00** Liter of Diesel;
- Fuel station issued **80,363.00** Liters of Diesel;
- Fuel balance at Jul 1, 2021, is **58,262.00** Liters;

IX – IT: *Reported by Eldar Eyyubov*

- No disruption in ICT department within June
- 84 helpdesk requests were processed
- All new employees were provided with access cards
- Two new Laptops were received and handled
- The equipment of resigned personal was checked
- Installed were equipment of relocated employees

- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

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