

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

December 2020

Contents

EXECUTIVE SUMMARY:.....	2
I - HEALTH, SAFETY & ENVIRONMENT:	3
II - PRODUCTION / OPERATIONS:.....	5
III – CONSTRUCTION:	12
IV – SUBSURFACE:	13
V - FINANCE:.....	14
VI – PROCUREMENT & MATERIALS:	165
VII– LEGAL PROCESS AND HUMAN RESOURCES.....	16
VIII – ADMINISTRATION & SECURITY:.....	17
IX – IT:.....	18

EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during December 2020 are below:

a) Health Safety and Environment:

- December was again a positive HSE month for BEOC, with no TRIR's and no incidents. 30 PTWs were issued, and 20 STOP cards were collected. Environmentally no spills were reported. The full year TRIR was 0.14 with only three incidents and a total of 523 PTWs issued during 2020.
- HSE department has been taking preventive actions in the BEOC buildings and main roads against potential Corona Virus infection.

b) Production:

- Oil production was 578 Bopd, down 19 Bopd from November 2020, due to reinstalling ESP in South GD wells GD 418 and changing out the ESP on GD 371 well.
- Gas production was 21.5 MMcfd, which was lower by 0.7 MMcfd from October due to the shortfall in B144 well.
- BEOC also utilized 3.9 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, ongoing workovers in the GD 454 and 418. wells add to oil production.
- In Bahar, well BH 172 continued fishing and recompletion activities. The B197 had a damaged casing and was unable to be refurbished. Rehabilitation work is being started on the BH196 well.

d) Construction:

- Offshore construction operations continued on GZU 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. Work on a revised Plan of Development is underway.

f) Financial

- The AWP&B program was completed and approved by the partners at the SC and CMC meeting on December 29, 2020.

Costs	USD '000 Proposed 2021 Budget
Recoverable Capital Costs (CAPEX)	12,847
Recoverable Operating Costs (OPEX)	22,177
Non-Recoverable Costs	54
Total Costs	35,078

g) General Management

- 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. As of December 31, 2020, BEOC has had 108 employees tested positive for COVID-19, and one employee passed away from COVID-19 and diabetes complications. BEOC employees are expected to be able to return to general working conditions no earlier than the end of January 2021.

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

a) Summary: HSE:

- No medical treatment incident was recorded in December.
- TRIR is 0.14 by the end of December.

b) Monthly Safety statistics for December 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
August	1	118660	1.68	1	65
September	0	117228	0	0	50
October	0	129277	0	0	47
November	0	122650	0	0	42
December	0	119518	0	0	30
Total	1	1431803	0.14	3	523

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 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 the 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 fulfill by HSE representatives at the BEOCL premises

- The body temperature of the workers coming to the workplaces 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.
- 47 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 BEOC sites and work performance were carried out.
- General HSE induction was conducted for 6 newcomers/ visitors.
- 20 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 was 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
August	N/A	N/A	N/A
September	N/A	N/A	N/A
October	N/A	N/A	N/A
November	N/A	N/A	N/A
December	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:

“First Aid technique for injured person” for 60 employees.

“Basic offshore safety rules” for 55 employees.

The total participants were 115 workers.

II - PRODUCTION / OPERATIONS: *Reported by Ali Iskender Gurbanzade*

a) Production year to date is shown below:

OIL and GAS Production 2020 Budget and Actual																		
Dec-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	3,591	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	3,639	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	3,892	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	3,707	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	3,214	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	3,531	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	3,695	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	3,480	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	3,777	4,905
August	85	7.41	629	54	403	110	814	559,590	19,761,921	3,294	517,637	18,280,351	3,047	655,000	23,131,325	4,161	3,676	4,975
September	85	7.36	625	65	477	110	814	641,868	22,667,568	3,778	591,686	20,895,391	3,483	645,000	22,778,175	4,098	4,108	4,912
Q3 Average	83	7.40	616	62	456	110	814	589,748	20,826,939	3,471	549,968	19,422,108	3,237	648,000	22,884,120	4,117	3,854	4,931
October	89	7.35	655	67	494	110	814	644,531	22,761,612	3,794	588,664	20,788,669	3,465	671,000	23,696,365	4,263	4,120	5,077
November	90	7.36	660	81	597	110	814	628,818	22,206,708	3,701	604,367	21,343,221	3,557	659,000	23,272,585	4,186	4,217	5,000
December	85	7.33	621	79	578	110	814	607,851	21,466,258	3,578	591,990	20,906,127	3,484	657,000	23,201,955	4,174	4,105	4,988
Q4 Average	88	7.35	645	76	556	110	814	627,067	22,144,859	3,691	595,007	21,012,672	3,502	662,333	23,390,302	4,208	4,148	5,022

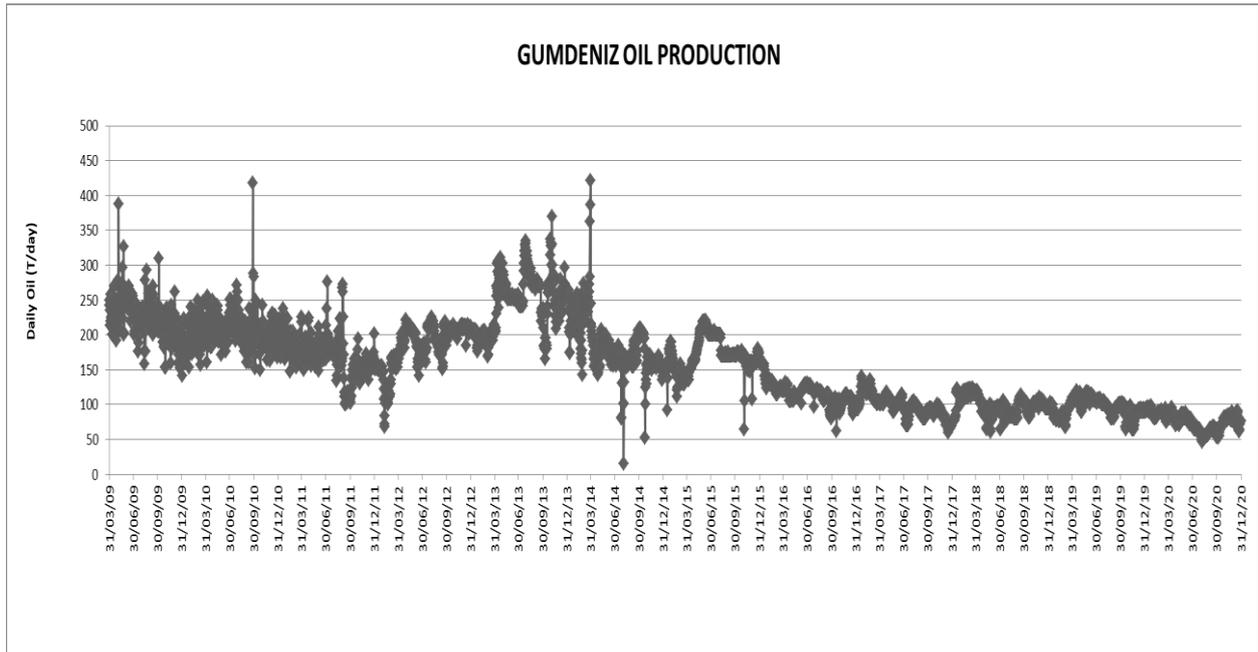
b) Production – Gum Deniz

- Production rate of the Gum Deniz field averaged 79 tons/day. Delivery is 85 ton/day
- During the report covering period we haven't delivered any solution gas to SOCAR, the volume of gas used by compressors for internal needs for oil refinery was 1 700 000 m3 (55 000 x 31).
- The chart below shows the reasons for oil production decrease:

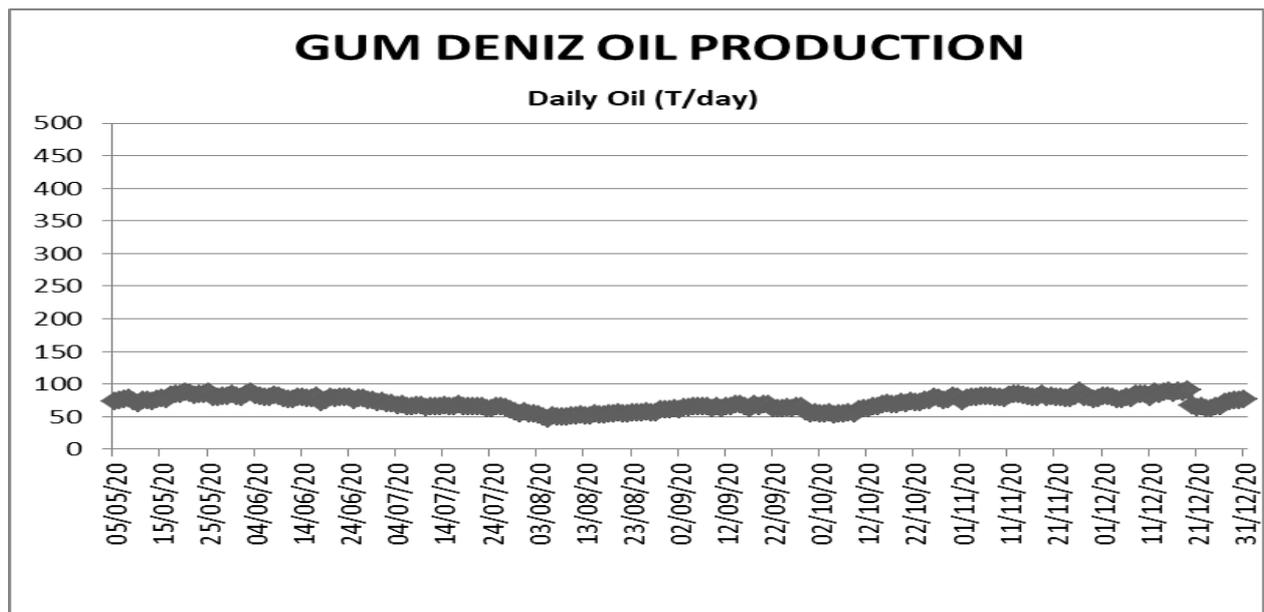
Oil Production Rate Differences Between November and December 2020																																		
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
November 2020	1.0	2.2	0.7	0.0	3.3	23.7	3.2	1.8	10.8	0.0	2.5	10.3	0.0	0.2	3.1	2.5	2.4	0.0	1.5	0.7	2.2	1.8	2.3	3.3	6.2	0.2	3.2	5.4	1.6	1.4	6.8	1.4	1.1	106.9
December 2020	0.8	2.3	0.9	0.0	3.9	22.1	2.9	3.6	8.1	0.0	0.0	9.9	0.0	0.2	3.1	2.4	2.0	0.0	3.4	1.0	2.0	2.3	2.4	3.3	6.2	0.1	3.6	5.0	1.6	1.4	7.5	0.8	1.1	103.8
	Difference																											-3.1						

- GD-454 has on-going WOs.
- GD-418 has on-going WOs.

c) Year to Date Production: Gum Deniz



d) Oil Production for Last Six Months



e) Production – Bahar

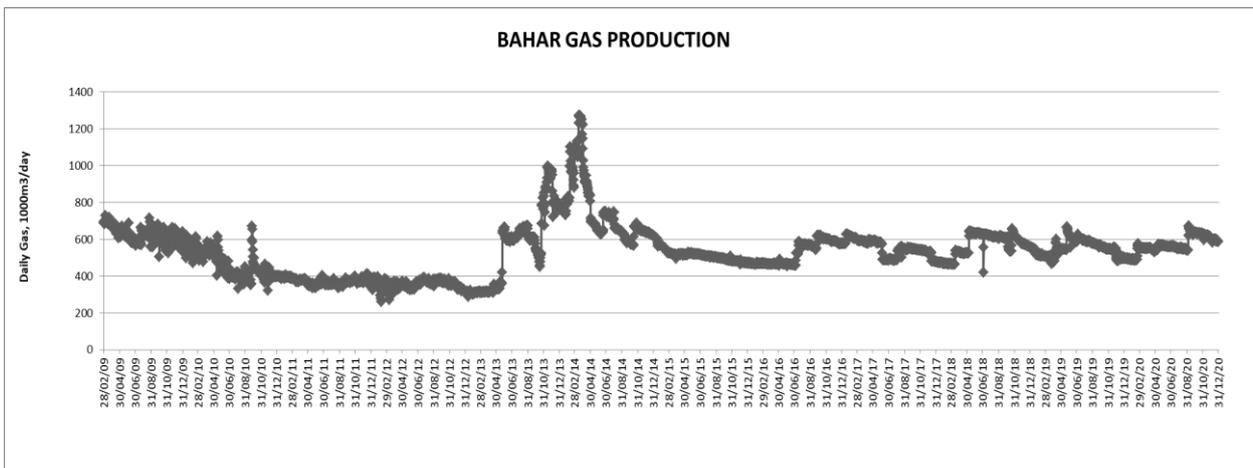
- Bahar daily gas delivery realized as an average of 591 990 m3/day.
- Gas delivery was 20.91 MMcfd.

The chart below shows the reasons for gas delivery decrease:

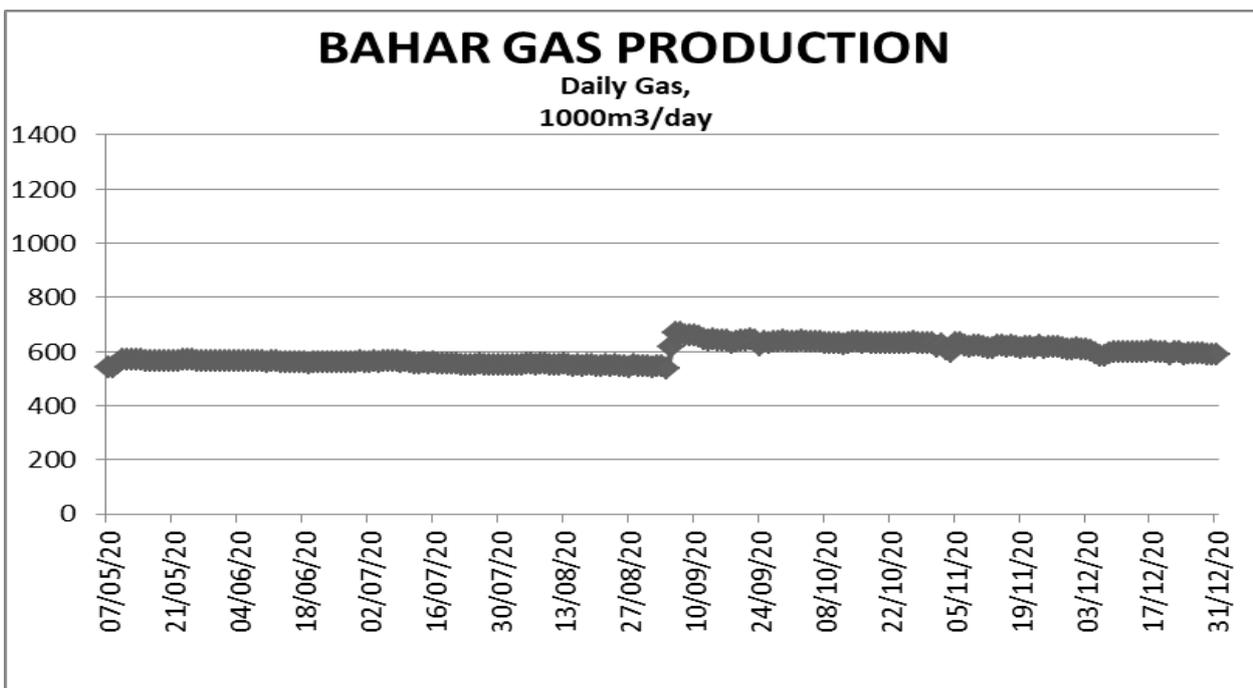
Gas Production Rate Differences Between November and December 2020													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
November 2020	35	50	22	48	101	116	38	78	75	1	15	45	624.0
December 2020	35	49	5	48	100	116	38	78	75	1	15	45	605.0
Difference													-19.0

- WO continues in the well 172 at PLT168 of Bahar field.
- Due to not obtaining the result in the well# 197 at PLT196 of Bahar field, carrying out WOs was ended and WO crew is moved to the well #196.
- Construction works continue at GZU2, PLT196, and PLT70/106 of Bahar field.
- A leak was detected on subwater 12" production pipeline#3 layed in between GZU2 and GNAS.2 at Bahar field, the leak was eliminated with the help of the Diving Crew called out by the order of the construction division.
- A leak was found on subwater 8" production pipeline layed in between PLT409 and PLT208 at Gum-Deniz field, the leak was detected with the help of the Diving Crew called out by the order of the construction division. The line was lifted up out of the water and leak was eliminated by the Construction crew.

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 the environment through discharge of formation water from technological storage reservoirs located at Oil Processing Unit is ongoing by “Construction Department”.
- Continuing cleaning out the bottom of 2nd tank from the sediments at 2000 tanks farm at Oil Processing Unit.
- Installation of valves has begun on 20” production line considered between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit.
- Carrying on with repairs of 1st tank at 2000 tanks farm at Oil Processing Unit “.
- 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 proceed.
- For carrying out the operations on the wells with high paraffin content on PLT9 of Gum-Deniz field, with the assistance of Construction Division the replacement with another tank continues due to the leak on white oil storage tanks.

(December 2020)	
Name of the operation	Completed Operations
Fluid level survey	84 (17 wells)
Sulfanol treatment in wells	1 (1 well)
Salinity measurement in wells	83 (33 wells)
Soap stick application in gas wells	-

i) Transportation Division:

Auto-Transportation Field Report for December 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	54							
Pulling Units serving for WO	9	350	350	95				
Stationary Type Pump (V-12)	1	10.5	10.5	27				
Stationary Type Pump (V-16)	1							
Drawwork (QBQ-120)	2	303.5	303.5	21				
Mobile Boiler Truck (Consisting of two parts)	1	0.5	0.5					
Cement Trucks serving all BEOC Departments	11	1512	117	76				
Water Tank Trucks of Autotransportation field	3	304	41	57	2549			
Other vehicles of Autotransportation field	7	964	82.3	16	931.8			
Number of Trucks put back into service after a long term repair works								
Rented Heavy/ Civil Plant trucks						7/58	5/months	10/25
Buses and Minibuses by Service contract							16/months	

Logistic Report for Lifting Operations for December 2020			
01.12-31.12			
Months	Orders	Weight (kg)	Hours
GENERAL	<u>Total: 70</u>	<u>Total: 750000</u>	<u>Total: 259</u>

Marine Transportation Report for December 2020								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	6 days			288,040 kg	NO	6 days	TOTAL-27	TOTAL-13
MAGIC-1	18 days	322	329		NO			
XEZER-3	2 days			170.000 kg water	NO			
YARENQA	1 days			150,000 liter diesel fuel 65,000 kg water	NO			

j) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2020

ACTIVE ENERGY	Kwatt												TOTAL
LOCATION	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
GumDeniz - Field	900,000	742,000	805,600	800,000	812,000	798,000	714,000	630,000	470,000	491,000	660,000	703,000	8,525,600
Compressor station 14	260,000	90,000	110,400	105,000	111,000	220,000	686,000	686,000	90,000	251,000	80,000	90,000	2,779,400
Compressor station 1	356,000	215,000	249,000	253,000	274,000	410,000	405,000	342,000	190,000	205,000	238,000	342,000	3,479,000
Compressor station 2	530,000	470,000	498,000	481,000	499,000	600,000	828,000	612,000	640,000	667,000	645,000	529,200	6,999,200
Automotization Industrial Processes	7,200	6,286	7,986	7,829	8,794	8,708	8,246	7,900	8,200	8,500	7,800	6,500	93,949
Electric workshop	7,500	6,500	10,980	9,032	8,995	8,809	8,347	8,150	8,400	8,700	7,500	6,700	99,613
Oil Process	80,000	66,000	84,560	79,500	86,500	88,500	75,000	80,000	85,000	98,000	80,000	95,000	998,060
5000 area	152,000	132,000	178,000	172,000	173,000	171,000	180,000	170,000	167,000	185,000	130,000	136,000	1,946,000
Gas Process	8,662	8,261	11,170	8,437	3,592	3,253	3,767	3,368	3,663	4,259	6,284	7,551	72,267
Workover	43,324	40,128	57,960	56,010	60,173	57,302	56,840	39,684	44,481	48,716	43,267	36,898	584,783
Offices	83,700	77,900	79,060	40,060	44,223	52,100	51,638	48,472	53,270	57,505	52,058	45,689	685,675
Transportation	42,032	38,900	48,700	46,750	52,816	48,405	47,943	44,768	49,565	53,800	48,353	41,984	564,016
Laboratory	23,015	21,130	23,230	20,685	23,848	21,203	20,741	17,575	22,373	26,608	21,161	14,792	256,361
Construction	12,102	10,400	15,493	18,350	23,339	20,489	20,489	31,361	36,159	40,396	34,948	28,579	292,105
Water supply	167	146	129	31	28	52	49	48	57	69	136	173	1,085
TOTAL -kW	2,505,702	1,924,651	2,180,268	2,097,684	2,181,308	2,507,821	3,106,060	2,721,326	1,868,168	2,145,553	2,054,507	2,084,066	27,377,114
0.076271187													
COST AZN total	191,113	146,795	166,292	159,993	166,371	191,274	236,903	207,559	142,487	163,644	156,700	158,954	2,088,085
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	1,948,526	1,282,975	978,029	893,051	1,252,893	15,816,904

**k) Workovers:
Bahar WO's**

- BHR 172 – RIH w/ In sequence 3 times performed string shot operations for backing off the stuck pipe at the depth 2277- 2268m and 2258 - 2249m at the left-hand torque up to 3800lbs/ft. No success. Performed manual backing off the pipe string by 35 turns to left, could move the string only 0.7m. Broke circulation (there is was no circulation at the time of the stuck), meanwhile reciprocated the string, released. POOH and LD 131 joints of DP's from the string in a hole. Will NU WH equipment and prep draw work and equipment move to B144 well at PL 48.
- BHR 196 – Completed Construction prep of location. Spotted and RU UPA80 Rig onto the well. Prep underway. The plan is to re-complete the well at Hor. VI (3735 - 3745m interval).

Gum-Deniz WO's:

- GD 454 – Moved the derrick onto well G454. Started POOH, observed expected cable steel cover corrosion, cable clamps corroded and fell into the hole (corrosion made by pumped seawater into the well). Continued POOH by hosting cable via support line. At joint # 10 (87m) observed pull drag, string got stuck (fallen cable clamps are stuck between ESP shroud (140mm OD) and casing (150mm ID)). By reciprocation and applying over pull weight to the string, released ESP Assy. Pulled 26 joints with fluctuating at 27 to 16 tons dragging / over pull weight. String

got stuck again at 8.25m from joint #26 (241m total pulled). Via Wireline Jet Cutter, cut the string at 357m. RIH w/ Releasing Spear JAR BHA, at 241m tool slacked off. Observed stuck while pull (stuck is made by rolling of the ESP cable around BHA). Turned pipes, backed off the string. Screwed pipes back in, started pulling the string at 48 over pull drag which was activating JAR, by reciprocation and JARring could pull 124m, while pull annulus of the string was overflowing due to ESP cable rolling/sealing. String got stuck again, pulled 65 ton over pull to release the string, no result. Broke circulation, attempted to release stuck string by reciprocation, turning, spading, and pumping at the high pressure at the same time. Despite attempts, string didn't move. Prepared acid, pumped down to tubing, received circulation from 3rd joint. Stopped pumping. Will continue with backing off the string.

South Gum Deniz WO's.

- GD 418 – Pulled and LD ESP Assy. Observed BHA has parted from Gas separator sub and LIH (identical to G412 case). MU and RIH w/105-91mm range Die Collar BHA, tagged at 2812.92m (while tag pressure increased to 60atm from 40atm). RU Power Swivel. Performed fishing operation. POOH 1797m. continues. The plan is to perform INNK Log and continue as per Log result.

- 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
August	7	5
September	6	3
October	8	4
November	6	2
December	4	1
Total	84	47

- Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 172	Fishing / Recompletion	40-2-172-01-20	117M \$	331M \$	214M \$
BHR 196	Recompletion	40-2-196-01-20	0M \$	238M \$	0M \$

- Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 418	ESP replace	55M \$
GD 454	ESP recovery	32M \$

III) Construction Department: *Reported by Aliiskender Gurbanzade*

CONSTRUCTION PROGRESS REPORT FOR December 2020

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz, Causeway, the Entrance road	Have completed hammering of 11 piles (made of 10" pipes), around the damaged supports in order to prevent the breakage of the crossbars connecting the overpasses 13-14 and 14-15 in the part of the causeways in between the coast and PLT62. Connecting works in between 10" piles are on-going	in progress
2	Gum-Deniz, Causeway PLT232	Installation and connection of 10" piles for reinforcement of supports 16A in the area between PLT160-160B.	in progress
3	Gum-Deniz, Causeway 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, Causeway PLTs 62-235	10" Piles hammering and connecting with existing structure in between PLT 62 & 235 with purpose to repair support #20,	in progress
5	Gum -Deniz, Causeway PLT209	As for installation of 10x10 steel panels at PLT209, fixing of penetrations and frames by using 60 i-beams and welding works	in progress
6	Gum-Deniz. Causeway path, in between PLT235-64	As a part of repair job of the road in between PLT235 and PLT64, hammering and connection of 10" piles around bad piles #39-40 was completed	in progress
7	Gum-Deniz, Causeway PLT160-160B	In order to repair the support #19 in between 160-160B PLT, 2 ea of 10" pile were hamerred, connecting in progress	in progress
8	Gum-Deniz.Processing and Delivery Unit and Oil Processing Unit.20" production line	In order to complete construction project, finished the Installation of 20" valves on production line considered between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit. Setting up of the service platforms around 20" gatevalves at Processing and Delivery Unit and Oil Processing Unit	in progress
Bahar field			
9	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 6x13m service platform. Have started installation of pipe fittings and comb type separator fabricated in the workshop, on the pannels.	in progress
10	Bahar PLT196	Repairs and installation works as for preparation for WO operations in the well#196 at PLT196.	in progress
11	Gum-Deniz PLT409	Completed the replacment & connection of 8" broken vertical support with new pipe at 8" flowline in the north-western part of PLT409, that connects PLT409 and PLT208. Completed installation/setting up the path all along the 8" line."	completed
12	Bahar PLT70-106	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
2	Setting up gratng floor surrounding 2SQ-50 type compresso of unit No. 12 in the hall of compressor station No. 14 at CS, Gas Collection and Transportation areas	in progress
3	Pipe-fitting joints were prepared in department's workshop for repair of the platform and placement of the collector spools, 2 separators, technological pipelines at GZU # 2 "Bahar" field. Details have been delivered to the relevant PLTs.	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	Repairs of corroded pipeline supports on the 20" production line along the causeways.	in progress
6	Installation of new oil trap for oil separation and construction of pump station at Oil Prep. & Transportation area.	in progress
7	Rehabilitation of collapsed parts of demulsification unit No. 1 and reinforcement by installation of steel structure at Oil Prep. & Transportation area.. The work is completed	completed
8	As a result of heavy rain old Administrative Building Roof and offices damaged, repair of the roof and offices	in progress
9	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
10	Repairs commenced on 111th support along the entrance road. Installation 10" pipe as a support and cementing works	in progress

IV – SUBSURFACE: *Reported by Ray Larijani*

Workover Programs prepared

- B-196 QR/NGL/CCL (3760-3600m) logging. Clean well down to 3760m. Further operations will be planned according to GR/NGL results.
- GD-454 POOH 2 7/8" tubing with ESP. RİH 2 7/8" tubing 40m in the well.

Wells logged/re-logged

None

Wells completed

- B-172 Fishing/Recompletion. Postponed. Expected gas rate was 50 Mm³/d free gas. Actual cost \$126 M.
- B-197 Fishing/Recompletion. Unsuccessful due to casing collapse at 2837.67m. Actual cost \$50 M.
- GD-418 Well service ESP replace /Fishing. Plan is to run INNK log and plan further as per results of log analysis. Ongoing, Actual cost \$55M.
- GD-454 Well service. ESP recovery. Actual cost \$43M.

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

a) Cased-hole logging

- Interpreted logs from GGI:
None

b) Geology

- Bahar Horizon VIII geological model built.

c) Reservoir Engineering

- Bahar FS-BX-BIX Simulation & WO Candidates Forecast continues.
- Bahar Horizon VIII simulation model event and production data prepared.
- Bahar Horizon VII 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 the database.

d) Seismic

- Bahar field BVII fault system review.
- Gobustan 3D seismic cubes are loaded to the project and interpretation started.

e) Task Scheduler

<u>Tasks started</u>	<u>Start date</u>	<u>Provisional completion date</u>
Bahar Field		
Bahar FS-BX-BIX Geomodelling, Simulation & WO Candidates Forecast	31 March 2020	20 January 2021
Bahar horizon VII Geomodelling, Simulation & WO Candidates Forecast	15 September 2020	31 January 2021
Bahar horizon VIII Geomodelling, Simulation & WO Candidates Forecast	1 October 2020	30 April 2021

V – FINANCE: *Reported by Rasul Gafarov*

a) On a Monthly Base:

- Completed Nov-20 accounting cycle in accordance with the monthly schedule.
- According to JOA issued Nov-20 Monthly reports to Contractor Parties.
- According to JOA Dec -20 and Jan-21 Cash Calls distributed to Contractor Parties.
- Issued Nov-20 Additional Monthly reports to Contractor Parties.
- Issued and distributed Nov-20 Monthly departmental cost reports to Budget Holders / Department Managers.
- Issued and submitted Nov-20 monthly reports to government bodies, including but not limited:
- Prepared and submitted monthly Nov-20 Financial Highlights report to the Management

VAT, payroll, social fund, and statistical reports;

b) On an Annual Base:

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

- BEL Group Audit-finalized;
- BEOC Cost Recovery Report;
- BEL Profit Tax Return-finalized;

VI - PROCUREMENT & MATERIALS: *Reported by Rasul Gafarov*

a) Procurement

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

Tender Packs under RFI – 1

- BEOCL 10173 - RENT OF ESP's ;

Tender Packs under ITT (bids submission period) – 1

- BEOCL 10172 - Supply of workover's tubular

Tender Packs under evaluation – 2

- BEOCL 10169 - Supplies of Steel Materials
- BEOCL 10171 - Supplies of Pipes

- NUMBER OF ACTIVE CONTRACTS

- OPS/WO/LOG – 107 (incl. 16 transportation services and 18 services contracts for empl.);
- Construction-19;
- HSE – 12 (including 1 service contract for empl.);
- G&G – 11 (incl. 3 consultancy contracts & 2 contracts for payment purpose only);
- ADMIN – 19 (incl. 3 service contracts for empl.);
- HR – 5;
- ITC – 11;
- Legal – 15;
- PM – 16 (incl. 4 contracts for payment purpose only);
- Finance – 4;

- NUMBER OF ADDENDUMS / EXTENSION -9

b) Warehouse and Materials

- **301,548.00 kg** handled without incident;
- WHS received **33 PO's, 121-line items** for the amount of **AZN 807,838.81**;
- WHS issued **287-line items** for the amount of **AZN 590,949.89**;
- **18 (eighteen)** NCR's raised; **10 (ten)** NCR's was closed;
- Fuel station received **170,980.00** Liter of Diesel;
- Fuel station issued **158,270.00** Liters of Diesel;
- Fuel balance on December 1, 2020, is **18,898.00** Liters.

VII – LEGAL, HR, ADMIN, SECURITY & COMPLIANCE PROCESS:

Reported by Ahmadiyya Musayev

a) Legal, Compliance, Document Control & Translation issues

- Draft Deed of Novation on transfer of rights and obligations under GSA from SOCAR to Azercontract was reviewed and commented;
- Board changes were finalized at JAFZA due to departure of one of the BEOC Board members;
- The letter was prepared and sent to Labor Inspectorate to address various employee complaints;
- Meetings were held with Trade Union Chairman re G&G confrontations;
- Actions continued for the inventory of Admin, Security, and IT assets;
- Various SOCAR inquiries for information was addressed;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of the application. SOCAR approval was obtained for G&G Manager;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- 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

- Use of the outstanding vacations was monitored;
- Employment contracts of 2 employees have been terminated and re-executed till the end of December 2020;
- Interviewing of 2 candidates for Electrical welder position continued;
- Termination of employment agreements of 2 employees carried out (1 by own request and 1 died);
- To be expired contracts were followed up and management was updated;
- Overall 338 HR related operations have been made through this month;
- Organizational structures have been updated as per last changes;
- 147 vacations and 96 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 to software;
- Performance Appraisal of Company employees for 2019 was followed up;
- Electronic permissions were controlled and updated on e-gov to ensure uninterrupted access of employees to working places.

c) Administrative affairs

- Presentations, schedule changes and route lists were prepared and handed over to the Legal & HR Department for issuance of orders on time in lieu with respect to rescue-divers of the Security department who traveled to "Bahar" field, and for those who were called back from rest due to these needs;
- Monthly schedules and timesheets for the Administrative and Security departments, as well as for their contractors have been prepared;
- MRs/SRs 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
- SRs were collected from all the structural units for stationery and the consolidated list were prepared;
- Outstanding membership fee for New Azerbaijan Party was collected and transferred;
- Inventory check of Administrative Affairs Department together with gardeners of Service Division continued;
- Need for repairs of the roof of the administrative building was raised and activities started, also the air conditioning equipment on the roof was dismantled and lowered.
- The offices of the Finance Department has been relocated.
- Repair work in the office of the manager of the Operations Department is underway. Attention is paid to the relocation of items and office equipment in the office under the supervision of the Service Division.

d) Security & civil defense activities

- Registration of inflow and outflow of materials, equipment, workers going to the premises via the Access Control Point # 1 is monitored on daily bases;
- 367 person and 260 vehicles entered to BEOC 292 area based on the request issued for one-time entrance permissions;
- Relevant records were entered into the logbook with respect to 430 employees who left for Bahar (working per shift) and their availability at work during November was so checked;
- On 01, 08,10,19,26 December 2020 deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel.
- The employees of Security Group measure, with the special tool, every person's temperature who enters BEOC premise from checkpoint #1;
- On 11.12.2020, the specialists of the department took part in the control of the transfer of 150000 liters of diesel fuel to "Bahar" area;
- 9 letters have been sent to Karim Rzayev, the chief of "Etalon Security" LTD, in order to get the permission certificates for 413 employees and 10 special vehicles to be able to enter the "BEOCL" area, according to the provisions of the contract;
- Classes in all categories were held regularly and fully taught on the basis of a 15-12 hour program envisaged in the 2020 Civil Defense Annual Plan.

- The trainings and drills provided for in the Civil Defense Plan were organized and conducted in a timely manner, and the set goals were fully achieved;
- Employees involved in training on the basis of a 12-hour program were trained in terms of the rules of conduct during emergencies, location at protection facilities and evacuation from dangerous areas, if necessary;
- During the training and exercises, the management of the facility, and the commanders of the civil defense forces were able to demonstrate their ability to perform their duties properly.

VIII – IT: *Reported by Eldar Eyyubov*

- No disruption in ICT department
- 75 helpdesk requests were processed
- In connection with the reconstruction roof of the head office, the antenna transmitting the Internet to remote offices was reinstalled
- The necessary changes have been made to the Greenfields website
- A new SR has been created to prolong the Firewall licenses for the next year
- Antivirus software license has been prolonged for the next year
- Replaced one faulty computer at the compressor station
- All printers have been checked
- All empty cartridges were replaced
- All servers checked and backed up.

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