

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

February 2021

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during February 2021 is below:

a) Health Safety and Environment:

- On February 12, while a workover crew in Bahar were retrieving a packer, a sub-contractor worker on the rig work floor was injured. The injured person was escorted to the hospital. Unfortunately, the next day the patient passed away. The incident investigation is ongoing with BEOC and the relevant authorities.

In February, there were no TRIR's and no other incidents. 40 PTWs were issued, and BEOC collected 5 STOP cards. 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.

COVID Statistics as of April 8th 2021; Recovered – 183 employees; Infected – 8, Death - 1
Vaccination Statistics as of April 8th 2021; There are total 571 employees over 40 years old in BEOC, 88 employees received the first doze of vaccination; 19 employees received the second doze of vaccination; 22 employees cannot be vaccinated due to chronic disease or had already suffered COVID.

b) Production:

- Oil production was 530 Bopd, down 61 Bopd from January 2020, due to reinstalling ESP in South GD wells GD 418 and changing out the ESP on GD 465 well.

- Gas production was 20.8 MMcfd, which was lower by 0.2 MMcfd from January due to the shortfall in B169 wells.

- BEOC also utilized 3.9 MMcfd for fuel gas in Gum Deniz& Bahar operations. The increased gas utilization resulted from 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 with the GD467 completed and returned to oil production.

- In Bahar, well BH 172 continued fishing and recompletion activities. Rehabilitation work continued on the BH196 well

d) Construction:

- Offshore construction operations continued on GZU 2, PLT 169, and PLT 70/106 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 continues.

f) 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 April 7th, 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 return to general working conditions in April or May 2021.

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

- 1 fatal incident with sub-contractor worker was recorded in February.
- TRIR is 0 by the end of February.

a) Monthly Safety statistics for February 2021

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	120243	0	0	39
February	0	108897	0	1	40
Total	0	229140	0	1	79

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: 1fatal incident was recorded with BEOCL sub-contractor worker during this month.

Fatal Incident

On February 12, while WO crew were retrieving the packer, pipe wrench jaw ripped and extension arm was slipped off and back up torque power made the string turn backward which was the reason of second pipe wrench hit the chest of the sub-contractor worker on the work floor. The injured person was escorted to the hospital. But unfortunately the next day the patient passed away. The incident investigation is going on.

c) HSE Activity

- HEALTH:

- HSE department has been taking preventive disinfecting actions at the BEOC workplaces 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 performed disinfecting the company rented buses against potential Corona Virus infection.
- 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.

- 37 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 9 newcomers/ visitors.
- In accordance with Local regulation the Health and Safety knowledge evaluation of 28 BEOCL technical and engineering employees was carried out.
- 5 STOP cards were collected from BEOCL facilities/Workshops/Platforms. All issued Cards were registered, tracking is in progress.
- 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
Total	0	0	0

- The waste segregation process was supervised by HSE department.
- BEOCL sewage water was disposed of 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 evacuation technique while emergency” for 15 employees

“First Aid to injured person” for 14 employees

Total participants were 29 workers.

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

a) Production is shown below:

OIL and GAS Production 2021 Budget and Actual																		
Feb-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			0		0		0								0	0	0	0
Q1 Average			0		0	0	0							0	0	0	0	0
April			0		0		0								0	0	0	0
May			0		0		0								0	0	0	0
June			0		0		0								0	0	0	0
Q2 Average			0		0	0	0							0	0	0	0	0
July			0		0		0								0	0	0	0
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

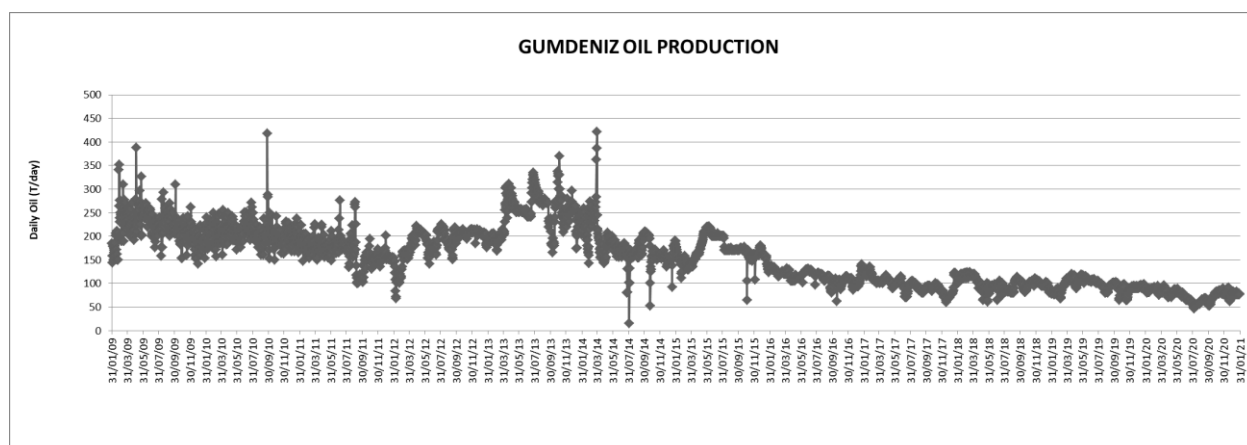
b) Production – Gum Deniz

- Production rate of the Gum Deniz field averaged 70 tons/day. Delivery is 65 tons/day During the report covering the period we haven't delivered any solution gas to SOCAR, the volume of gas used by compressors for internal needs for the oil refinery was 2 016 000 m3 (72 000 x 28).
- The chart below shows the reasons for oil production decrease:

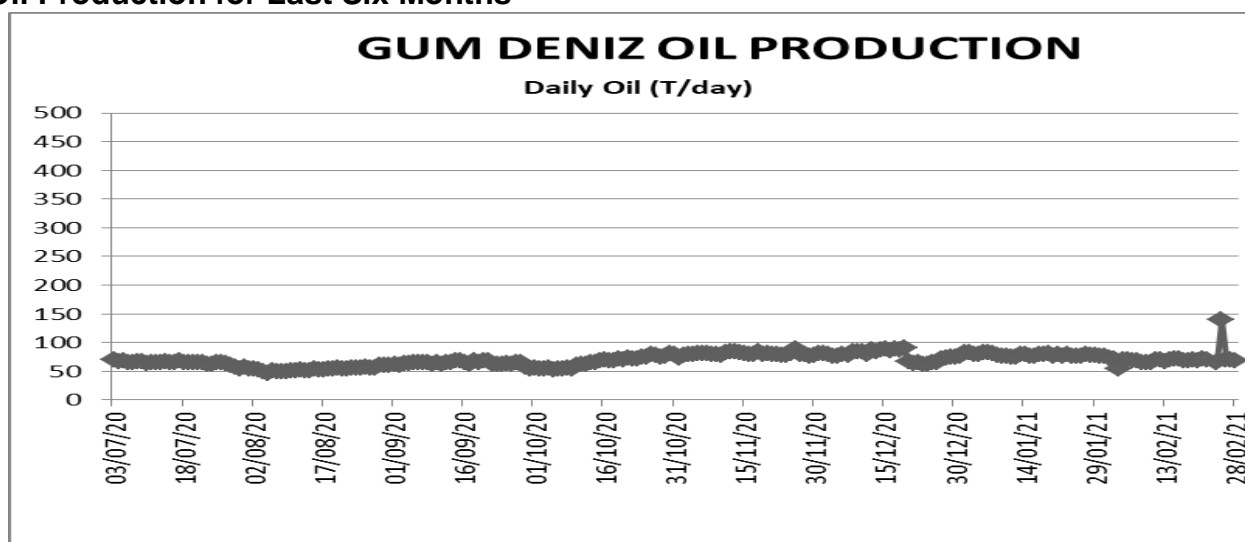
Oil Production Rate Differences Between January and February 2021																																		
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
January 2021	1.1	2.3	0.9	0.0	4.0	19.5	4.6	4.3	9.2	0.0	0.0	10.8	0.0	0.2	3.1	2.8	2.0	0.0	3.4	1.2	0.0	2.3	2.4	3.3	6.2	0.0	3.6	5.0	1.6	1.4	7.8	1.0	1.1	105.0
February 2021	1.0	2.0	1.0	0.0	3.3	17.3	4.3	5.0	2.7	0.0	0.0	11.3	0.0	0.0	1.0	3.0	2.0	0.0	1.7	1.0	0.0	3.0	1.7	3.3	6.0	0.0	2.3	5.0	2.0	0.7	6.7	1.0	1.0	89.3
Difference																																	-15.7	

- GD-454 WO continues.
- GD-418 WO completed.
- GD-444 well went under WO due to production was water, WO continues.
- GD-465 well was handed for WO, the ESP of SOCAR "Azneft" IB Experimental Production Enterprise for Repair and Rental of Submersible Devices was POOH, Schlumberger ESP RIH, well completion carried out.
- GD-467 well handed for WO, WO was carried out, well completion done.

c) Year to Date Production: Gum Deniz



d) Oil Production for Last Six Months



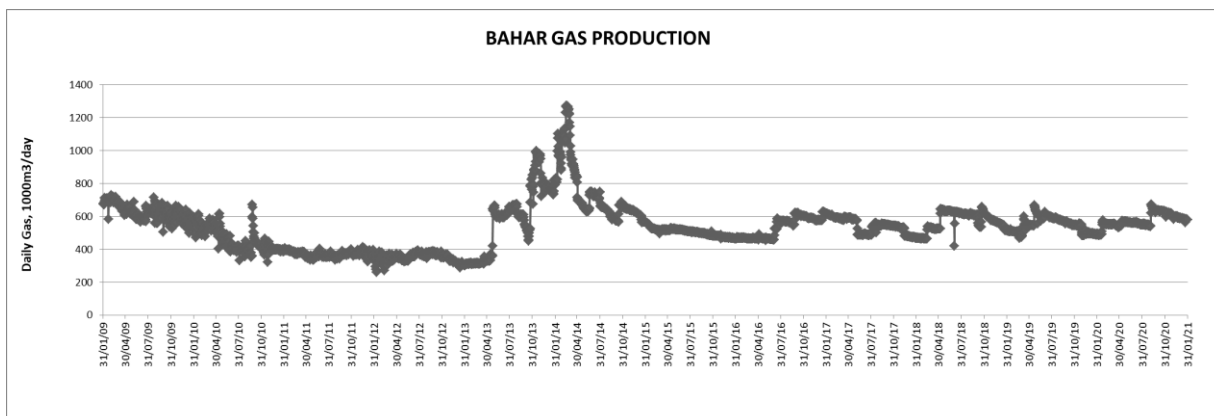
e) Production – Bahar

- Bahar daily gas delivery realized as an average of 559 874 m³/day.
- Gas delivery was 19.77 MMcfd.
- The chart below shows the reasons for gas delivery decrease:

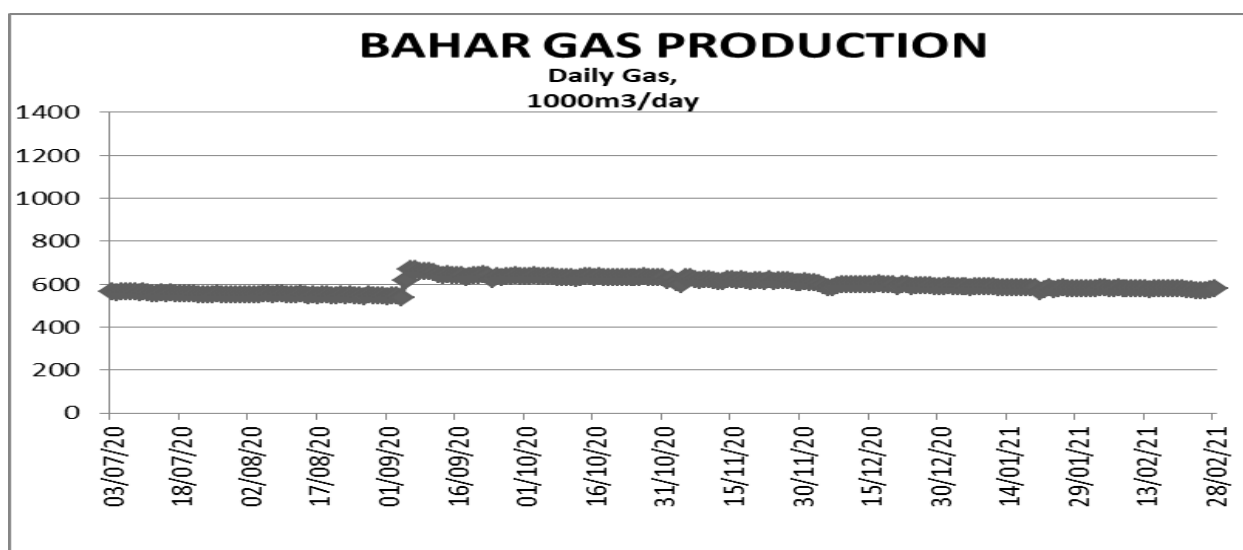
Gas Production Rate Differences Between January and February 2021													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m ³
January 2021	34	49	3	45	97	116	38	77	75	1	15	45	595.0
Febary 2021	34	48	3	42	93	116	38	77	75	1	15	44	586.0
Difference													-9.0

- WOs were completed in the well196 at PLT196 of Bahar field, well completion done, but due to no production, well went under repair again.
- Construction crews continue repairs on PLT196 & PLT70/106 at OGSU.2 of Bahar field.

f) Year to Date Production: Bahar



g) 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 Division”.
- Finished cleaning out the bottom of 8th tank from the sediments at 2000 tanks farm at Oil Processing Unit.
- Have started construction of a 12 ”line for connecting 2, 3, and 6 2,000 m3 process tanks at pump station#3 in oil Processing Unit, work continues.
- Newly layed 20” production line considered between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit was commissioned.
- 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.

Feb-21	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	6
Fluid level survey	61(16 wells)
Sulfanol treatment in wells	7 (6 well)
Salinity measurement in wells	84 (33 wells)
Soap stick application in gas wells	-

i) Transportation Division:

Report for February 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	170							
Pulling Units serving for WO	9	670.5	670.5	76				
Stationary Type Pump (V-12)	1	21	21					
Stationary Type Pump (V-16)	1			5				
Drawwork (QBQ-120)	2	156.5	156.5	18				
Mobile Boiler Truck (Consisting of two parts)	1	6	6	15				
Cement Trucks serving all BEOC Departments	11	1824	153.5	72	46			
Water Tank Trucks of Autotransportation Workshop	3	344	40.5	64	2618			
Other vehicles of Autotransportation field	7	952	102.9	60	782.9			
Fire trucks	3			1				
Number of Trucks put back into service after a long term repair works								
Rented Heavy duty trucks						17/107	6/months	5/20

Marine Transportation Report for February 2021

Logistic Report for Lifting Operations for February 2021			
01.02-.01.28			
Months	Orders	Weight (kg)	Hours
GENERAL	<u>Total: 170</u>	<u>Total: 1111000</u>	<u>Total: 371</u>

Report for February 2021								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	12 days			435,358 kg	NO		TOTAL-27	TOTAL-13
MAGIC-1	13 days	296	301		NO			
XEZER-3	1 days			161.000 kg water	NO			
SLV-363	1 days			37.000 litr diesel fuel	NO			

j) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2021

ACTIVE ENERGY	Kwatt		
LOCATION	January	February	TOTAL
GumDeniz - Field	710,000	640,000	1,350,000
Compressor station 14	73,000	66,000	139,000
Compressor station 1	342,000	297,000	639,000
Compressor station 2	540,000	478,000	1,018,000
Automotization Industrial Processes	6,800	6,200	13,000
Electric workshop	7,100	6,400	13,500
Oil Process	90,000	80,000	170,000
5000 area	126,000	107,000	233,000
Gas Process	6,769	6,033	12,802
Workover	30,247	25,220	55,467
Offices	40,036	34,061	74,097
Transportation	36,078	32,486	68,564
Laboratory	13,640	12,217	25,857
Construction	39,680	35,250	74,930
Water supply	148	116	264
TOTAL -kW	2,061,498	1,825,983	3,887,481
0.076271187			0
COST AZN total	157,233	139,270	296,503
REACTIVE ENERGY KVAR			
KVAR	927,459	735,329	1,662,788

k) Workovers:

Bahar WO's:

- BHR 196 – BP set at 3747m, cement plug dumped via WB and made the top of PBTD at 3745.65m. MU and RIH w/TCP + Mapset Packer BHA. Correlated TCP and Packer to depth via Wireline. Set Production packer at 3722.34m (WM) with 8 ton compression weight on. NU WH Equipment. Pressure tested the annulus positive at 50 atm / 10min. dropped the detonator bar, perforated at 3735 – 3740m interval. But, no flow. Checked FL at 2118m via Wireline. The decision been made to move up a hole at Hor. V.
- Despite all attempts couldn't release packer. Unlatched production string from ON/OFF tool and pulled. Completed POOH of Production string from ON/OFF tool. RU Wireline, confirmed TD at 3715.5m (TOF of ON/OFF stinger). Set BP at 3715.08m, put cement on top and made TOC at 3713.73m. MU and RIH w/TCP and Mapset Packer BHA. Will perforate at 3710 – 3712.5m interval.

South Gum Deniz WO's:

- GD 418 – Perforated at the intervals 3665 - 3660m with 86mm Casing Guns. RIH and landed ESP Assy at 1351.59m. POP.
- GD 414 – Moved the crew. RU Rig. Pulled out ESP Assy. Observed hole on 1st pump above the GS. Both motors are out of function. Total 13 ea. of ESP cable clamps are missing. MU and RIH w/93mm STC 1623m. WOW. Will clean wellbore to TD,

check production zone for federate, the pending federate result will squeeze surfactant ALFOTERRA into the formation.

Gum-Deniz WO's:

- GD 454 – Backed off fish and made at TOF at 442.60m. Currently cleaning over the fish down to ESP shroud. Will continue backing off the pump and continue with the fishing operation of ESP shroud BHA.
- GD 465 – Pulled SOCAR ESP Assy. Checked TD at 3437m. RIH back w/SLB ESP Assy. landed at 1724.17m. POP.
- GD 467 – Pulled Production string. RIH w/ 93mm STC, cleaned till PBTD down to 3387.44m. RIH w/GLV production string, landed at 2296.44m. POP.
- GD 601 – Based on Re-completion program for Hor. KS. Hired rental A80 Rig and started execution of a program. Pulled production string. RIH w/76mm STC on 2-3/8" EUE tbg string (35 joints planned to be tapered w/2-7/8" string), tagged at 3123m, leaned down to 3125m. Checked federate positive of 3105 – 3126m interval, zone permeability is 300L / min at 50 atm. Will continue with the cement squeeze operation into the zone. Couldn't deliver yet cementing equipment from offshore.
- GD 444 – Raised the production string and landed at 920m. Due to high water cut, decision been made to perform QUAD Log. Logged upward from 2215m to 1900m. W/O QUAD NEUTRON Log results.

- Monthly / Annual Workover Statistics

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	4	1
February	8	3
Total	12	4

- Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 196	Recompletion	40-2-197-01-21	82M \$	238M \$	155M \$
GD 418	Recompletion	40-1-418-01-21	125M \$	35M \$	-89M \$
GD 601	Recompletion	40-1-601-01-21	24M \$	184M \$	160M \$

Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 414	ESP replace	11.5M \$
GD 454	ESP recovery	89.5M \$
GD 444	Well service	21M \$
GD 465	ESP replace	21M \$
GD 467	ESP replace	31M \$

III – CONSTRUCTION: *Reported by Ali İskender Gurbanzade*

CONSTRUCTION PROGRESS REPORT FOR February 2021

#	Field/Location	Work Description	Status
Gum-Deniz			
1	Gum-Deniz,Causeways,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" pipes completed	completed
2	Gum-Deniz,OP&TCS, 2000m3	Carrying out the extension of emulsion line from the technological tanks to the pumping station of 12" pipes at Oil Prep. & Transp. and reconstruction of 1 SNS 300x300 pump foundation at the oil pumping station.	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	Repair and restoration works for preparation of the well122 for Wos at PLT of Gum -Deniz field.	in progress
5	Gum-Deniz, Causeway, PLT209	Carry on with installation of 10x10 steel panels at PLT209, completed installation of 1 panel 10x10, 2nd panel installation on-going.	in progress
6	Gum-Deniz, Fab.shop	Fabrication of extensioners for newly purchased rig skidding pistons.	in progress
7	Gum-Deniz, OGSU#1, 20" production line	In order to complete construction project, have finished the Installation of 20" valves on production line considered in between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit. Setting up of the service platforms around 20" gate valves at OGSU#1 completed	completed
Bahar field			
8	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 panels.	in progress
9	Bahar, PLT196	Continue laying manifold discharge lines and repair and installation works in order to prepare well#196 for WO at PLT196. Preparation for relocation	in progress
10	Bahar, PLT-70/106	Continuerepairs and installation works as for preparation for WO of twell#74 at PLT106/70 Bh.	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	Installation of support roofing beams fabricated of 2.5" pipes in the workshop, on the roof of C-D(2 items) and B block of Administration bld."	in progress
3	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
4	Repairs of corroded pipeline supports on the 20" production line along the causeways.	in progress
5	Installation of new oil trap for oil separation and construction of pump station at Oil Prep. & Transportation area.	in progress
6	Installation 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	in progress
7	Have repaired fresh leak places on 20" produced water line outlet of pumps operating at CS, Gas Collection and Transportation areas.No. 2, repair of leaks on 8" inlet-outlet lines.	completed
8	Demolition of the existing concrete layer in the machine hall of the CS#14 area to repair the engine and subfloor foundations of the compressor machine type 2SQ-50 No.6.	in progress
9	Repairs commenced on 84-th support along the entrance road. Installation 10" pipe as a support and cementing works. Metal supports have been installed.	completed
10	Repair of leaks in the parts of technical water line close to PLTs 66 and 16 at Gum-Deniz field.	completed
11	Repair of side walls and roofing of 4 hangars of Central WHSE.	in progress

IV – SUBSURFACE: *Reported by Ray Larijani*

Workover Programs prepared

- GD-414 Clean down to PBD if the sand plug is observed. Inspect the condition of the pump and Run 1480m 2 7/8" tubing with ESP in the well according to compiled and approved scheme.
- GD-444 Logging QR/CCL/QUAD Neutron from 2200m to 1910m with GGI. Further operations will be planned according to GD/QUAD Neutron result.
- GD-445 Perforate VIII horizon @ 2324-2322m.
- GD-467 Clean sand till TD.
- GD-601 Clean the down to 3220m. Perform INNK between 3220-3000m. Further operations will be planned according to INNK log result.
- B-196 Perforate horizon V 3710-3712.5m.

Wells logged/re-logged

- GD-444 QUAD Neutron

Wells completed

- B-196 Recompletion. Perforated 3735-3740m at horizon VI. No flow. Decision made move up to horizon V, perforated 3710-3712m ongoing operation. Actual cost 82M \$.
- GD-418 Recompletion/ESP replace. Perforated 3665-3660m. POP. The expected oil rate is 7 ton/d. Actual cost 35M \$.
- GD-601 Recompletion. Actual cost 24M \$.
- GD-445 Recompletion. Perforated 2324-2322 m at horizon VIII. Actual cost 8.079M \$.
- GD-414 ESP Replace. Actual cost 11.5M \$.
- GD-454 ESP Recovery. Ongoing. Actual cost 89.5M \$.
- GD-444 Well Service. Due to HWC decision made run QUAD NEUTRON log 2215-1900m intervals. Waiting log result. Expected oil rate is 2 ton/d. Actual cost 21M \$.
- GD-465 ESP Replace. Actual cost 21M \$.
- GD-467 ESP Replace. Actual cost 31M \$.

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

Cased-hole logging

Interpreted logs from GGI:
GD -444 QUAD Neutron

Geology

GD-445 offset well analyzed

a) Reservoir Engineering

- Bahar FS-BX-BIX Simulation & WO Candidates Forecast continues.
- Bahar Horizon VIII simulation history matching continues.
- Bahar Horizon VII simulation history matching continues.
- Bahar horizon V correlation and mapping completed.
- GD-445 WID document prepared.
- GD and Bahar development plan forecast update based on simulation models for 2021-2035 years in progress
- WO Success file updated.
- Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
- Updated Bahar and GD OFGM database.
- Updated Daily and monthly Production follows up database.

b) Seismic

- GumDeniz KaS fault and horizon interpretation continues. This is to identify drilling location for Qala formation in this area.

c) Task Scheduler

<u>Tasks started</u>	<u>Start date</u>	<u>Provisional completion date</u>	<u>Completion date</u>
GD Field			
GD NKP Simulation and Forecast	30 June 2020	31 December 2020	
Bahar Field			
Bahar FS-BX-BIX Simulation & WO Candidates Forecast	31 March 2020	31 March 2021	
Bahar horizon VII Simulation & WO Candidates Forecast	15 September 2020	31 March 2021	
Bahar horizon VIII Simulation & WO Candidates Forecast	1 October 2020	30 April 2021	
GumDeniz KaS fault and horizon interpretation continues.	1 December 2020	19 March 2021	
Completed			
GD and Bahar long term field development program for 2021-2035 years submitted to SOCAR.	10 February 2021		12 February 2021

V - FINANCE: *Reported by Rasul Gafarov*

a) On a Monthly Base:

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

- VAT, payroll, social fund and statistical reports;

b) On an Annual Base:

Start 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*

a) Legal, Compliance, Document Control & Translation issues

- Draft Deed of Novation on transfer of rights and obligations under GSA from SOCAR to Azercontract was finalized and executed;
- Court case finalized with General Supply by court rejecting to impose interest for late payment and lifting arrest on BEOC property;
- Structural change orders were issued due to departure of expat VP and internal transfer of other employees;
- Communication was exchanged and meetings held due to wrong cut of reserve line by Azneft's metal collector;
- Letter was prepared and sent to Labor Inspectorate to address employee complaint;
- Actions continued for inventory of Admin, Security and IT assets;
- Various SOCAR inquiries for information were addressed;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application. Work & residency permit was obtained from the State Migration Service 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; 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.

b) HR issues

- Use of the outstanding vacations was monitored;
- Employment of 2 employees have been terminated and re-employed till the end of December 2020;
- Interviewing of 2 candidates for Electrical welder position
- Termination of employment agreements of 2 employees (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 with 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.

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

- Administrative affairs

- Presentations, schedule changes and route lists were prepared and handed over to Legal & HR Department for issuance of orders on time in lieu with respect to recue-divers of the Security department who travelled 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 takeoff 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 consolidated list was prepared;
- Outsanding 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.
- 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.

- Security& Civil Defense activities

- 367 persons and 260 vehicles entered to BEOC 292 area based on request issued for a 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 591 employees who left for Bahar (working per shift) and checking their availability at work during December.

- 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 Department measure every person's temperature with special tool whoever enters from checkpoint #1.
- 9 letters have been sent to Karim Rzayev, the chief of "Etalon Security" LTD, in order to get the access list for 561 employees and 36 special machine to be able to enter the "BEOCL" area, according to points of the contract.
- On 11.12.2020, the specialists of department took part in the control of the transfer of 150000 liters of diesel fuel to "Bahar" area.
- 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 – PROCUREMENT & MATERIALS: *Reported by Rasul Gafarov*

a) Procurement

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

b) Tender and Contracts:

Tender Packs under RFI – 1

- BEOCL 10175 – Purchasing of 120 t Stationary Pulling Drawwork;

Tendered On Hold – 1

- BEOCL 10169 - Supplies of Steel Materials

Tender Packs under Bidder List approval – 1

- BEOCL 10174 - Provision of 2 set VS 28 x 100 WO Derrick;

Tender Packs under evaluation – 2

- BEOCL 10173 - Rent of ESP's ;
- BEOCL 10165 - CS 2 Gas Separator System Renovation;

Number of Active Contracts

- OPS/WO/LOG – 99 (incl. 16 transportation services and 20 services contracts for empl.);
- Construction - 18;
- HSE – 12 (including 1 service contract for empl.);
- G&G – 09 (incl. 3 consultancy contracts & 2 contracts for payment purpose only)
- ADMIN – 17 (incl. 3 service contracts for empl.);
- HR – 5;
- ITC – 11;
- Legal – 15;
- PM – 17 (incl. 4 contracts for payment purpose only);
- Finance – 3;

Number of Addendums / Extension – 16

Materials Division:

- **60,713.00** kg handled without incident;
- WHS received 27 PO's, 85 line items for the amount of AZN **128,664.29**;
- WHS issued 336 line items for the amount of AZN **417,385.91**;
- 36 NCR's raised; 4 NCR's was closed;
- Fuel station received 0.00 Liter of Diesel;
- Fuel station issued **51,455.00** Liters of Diesel;
- Fuel balance at March 1, 2021, is **26,849.00** Liters;

IX – IT: *Reported by Eldar Eyyubov*

- No disruption in ICT department within February
-
- 55 helpdesk requests were processed
- Q4 & Annual reports were prepared and sent
- Replaced was fault printer in the warehouse office
- New warehouse employee was provided with email account
- All new employees were provided with access cards
- 2 failed printers were sent to the service center and 4 were fixed in the office
- 10 UPSes were equipped with new batteries
- 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-----