

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

August 2020

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during August 2020 are below:

a) Health Safety and Environment:

- July was again a positive HSE month for BEOC, but there was one incident. On August 11th, a BEOC rigger was bitten by a snake at a compressor station. He was treated, and snake repellent was distributed around the site buildings and facilities. Therefore, LTIs were one, and the TRIR was 1.68. Sixty-five PTWs were issued, and 27 STOP cards were collected.
- HSE department has been taking preventive actions in the BEOC buildings and main roads against potential Corona Virus infection.

b) Production:

- Oil production was 403 Bopd, down 86 Bopd from July 2020, due to ESP failures in South GD wells.
- Gas production was 19.7 MMcfd, which was slightly lower r by 0.3 MMcfd from July.
- BEOC also utilized 2.8 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, a Shirvan crane vessel delivered a 28m Derrick from Zira Port to platform 412. The Derrick is being rigged up to undertake ESP change-outs in the South Gum Deniz wells on the platform.
- In Bahar, the workover continues on well BH169 on platform 168.

d) Construction:

- Offshore construction operations were restored on GZU 2 with the delivery of a 25-tonne mobile crane, PLT 168, and PLT 175 in the Bahar field.

e) Subsurface

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

f) General Management

- BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure the safe workplace for all our employees and contractors. BEOC employees are expected to be able to return to general working conditions after September 30, 2020, and BEOC management will monitor the situation and consult with SOCAR before taking any risks with our employee's health.

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

a) Summary: HSE:

- 1 medical treatment incident was recorded in August.
- TRIR is 0 by the end of August.

b) Monthly Safety statistics for August 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
Total	0	943130	0.21	3	444

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:

- 1 medical treatment incident recorded during this month.

On 11.08.2020 at 09:35 snake bite incident was occurred with BEOCL rigger of the transportation department Musayev Kemaleddin Tofiq at the #2 compressor station. During the lifting of concrete plates by track-crane Kemaleddin Musayev got snake bite injury from his right hand finger by hidden snake under concrete plate. Injured Person was escorted to the toxicology hospital.

d) HSE Activity

- HEALTH:

- HSE department has been taking preventive disinfecting actions in the BEOC buildings and main roads against potential Corona Virus infection.
- Before commencing crew change operation for the offshore staff BEOCL organized testing employees for COVID-19 to be confident about health condition of workers.
- HSE department have started disinfecting the company rented buses as the number of confirmed cases of COVID-19 continues to rise.
- Installed 25 special dispensers for hand sanitizer regularly control and fulfil by HSE representatives at the BEOCL premises

- The body temperature of the workers coming to the work places have been measuring by a remote temperature meter at the “Gum-Deniz” island Checkpoint, and the workers with high temperatures are sent to the medical facilities located in the residential area.
- Snake repellent treatment was proceeded to carry out at the Office administrative building’s vicinity and at the site workshops.
- 41 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.
- BEOCL drivers passed through daily medical examination before work commencement.

- SAFETY:

- Safety inspections of BEOC sites and work performance were carried out.
- General HSE induction was conducted for 6 newcomers/ visitors.
- 27 STOP cards were collected from BEOC facilities/Workshops/Platforms. All issued Cards were registered, tracking is in progress.
- The HSE Audit Permits to Work and associated certificates, verification, risk assessments, and other related documentation were monitored.
- The firefighting equipment monthly inspection was provided and reported. The firefighting water pump was tested at the Oil Process and Transportation field.

- ENVIRONMENT

- Environmental Statistics for Month/Annual

Month	Spills Number	Spill Volume	Comments
January	N/A	N/A	N/A
February	N/A	N/A	N/A
March	N/A	N/A	N/A
April	N/A	N/A	N/A
May	N/A	N/A	N/A
June	N/A	N/A	N/A
July	N/A	N/A	N/A
August	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:

“Guide to working safely during the coronavirus” for 50 employees

“Basic offshore safety rules” for 42 employees
“First Aid information for snakebite cases.” for 50 employees

The total participants were 142 workers.

II - PRODUCTION / OPERATIONS: *Reported by Alilskender Gurbanzade*

a) Production year to date is shown below:

OIL and GAS Production 2020 Budget and Actual																		
Aug-20	Oil Shipped to sales Point Actual ton/day	One ton equal to barrel	Oil Shipped to sales Point Actual BOE	Oil Production Actual ton/day	Actual BOE for Oil	Oil Production Budget ton/day	Budget BOE for Oil (equal to barrel 7,4)	Gas Production Actual m3/day	Gas Production Actual scf/day	Gas Production BOE	Gas Delivery m3/day	Gas Delivery scf/day	Gas Delivery BOE	Gas Production Budget m3/day	Gas Production Budget scf/day	Budget BOE for Gas	Total Actual BOE	Total Budget BOE
January	93	7.41	686	94	693	109	807	503,369	17,776,476	2,963	493,553	17,429,824	2,905	580,000	20,482,700	3,685	3,656	4,491
February	85	7.47	634	86	644	109	807	520,695	18,388,344	3,065	510,541	18,029,755	3,005	616,000	21,754,040	3,913	3,709	4,720
March	86	7.47	640	86	645	110	814	563,562	19,902,192	3,317	552,572	19,514,080	3,252	617,000	21,789,355	3,920	3,962	4,734
Q1 Average	88	7.45	653	89	661	109	809	529,209	18,689,004	3,115	518,889	18,324,553	3,054	604,333	21,342,032	3,839	3,776	4,648
April		7.47		86	642	110	814	556,996	19,670,314	3,278	546,134	19,286,722	3,214	615,000	21,718,725	3,907	3,921	4,721
May	55	7.46	409	80	596	110	814	571,667	20,188,420	3,365	530,309	18,727,862	3,121	623,000	22,001,245	3,958	3,961	4,772
June	80	7.46	600	80	595	110	814	572,778	20,227,655	3,371	525,926	18,573,077	3,096	636,000	22,460,340	4,040	3,966	4,854
Q2 Average	45	7.46	336	82	611	110	814	567,147	20,028,796	3,338	534,123	18,862,554	3,144	624,667	22,060,103	3,968	3,949	4,782
July	80	7.43	595	66	489	110	814	567,785	20,051,327	3,342	540,580	19,090,583	3,182	644,000	22,742,860	4,091	3,830	4,905
August	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	3,697	4,975
September																		
Q3 Average																		
October																		
November																		
December																		
Q4 Average																		

b) Production – Gum Deniz

- The production rate of the Gum-Deniz field averaged 54 tons/day;
- During the report covering period we haven't delivered any solution gas ;
- The volume of gas used by compressors on internal needs for oil refinery is 2,480,000 m3(80 000 x 31)

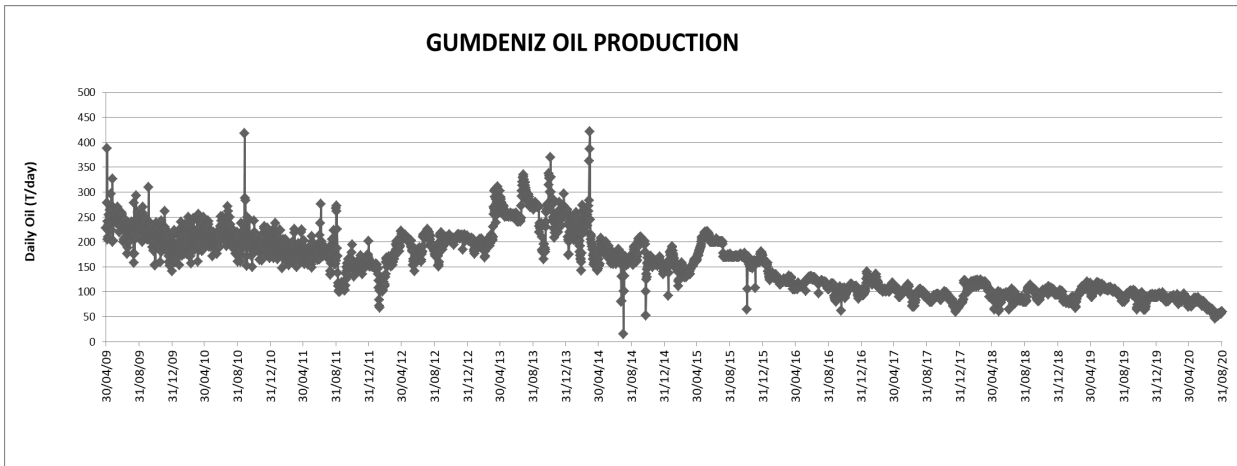
- The chart below shows the reasons for oil production decrease:

Oil Production Rate Differences Between July and August 2020																																	
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
July 2020	1.5	2.0	0.6	0.0	3.3	22.0	4.1	0.0	11.0	0.5	0.7	0.0	0.0	0.2	4.2	2.2	0.0	0.9	0.8	2.1	2.3	2.1	3.5	6.3	1.1	1.3	5.7	1.4	1.3	9.3	1.1	1.1	92.7
August 2020	1.2	2.2	0.7	0.0	2.8	17.1	0.5	0.0	11.4	0.0	0.0	0.0	0.0	0.2	2.2	2.8	0.0	2.7	0.8	0.5	1.5	2.3	2.5	6.5	0.3	1.9	5.4	1.6	1.8	8.7	1.8	1.1	80.4
Difference																										-12.3							

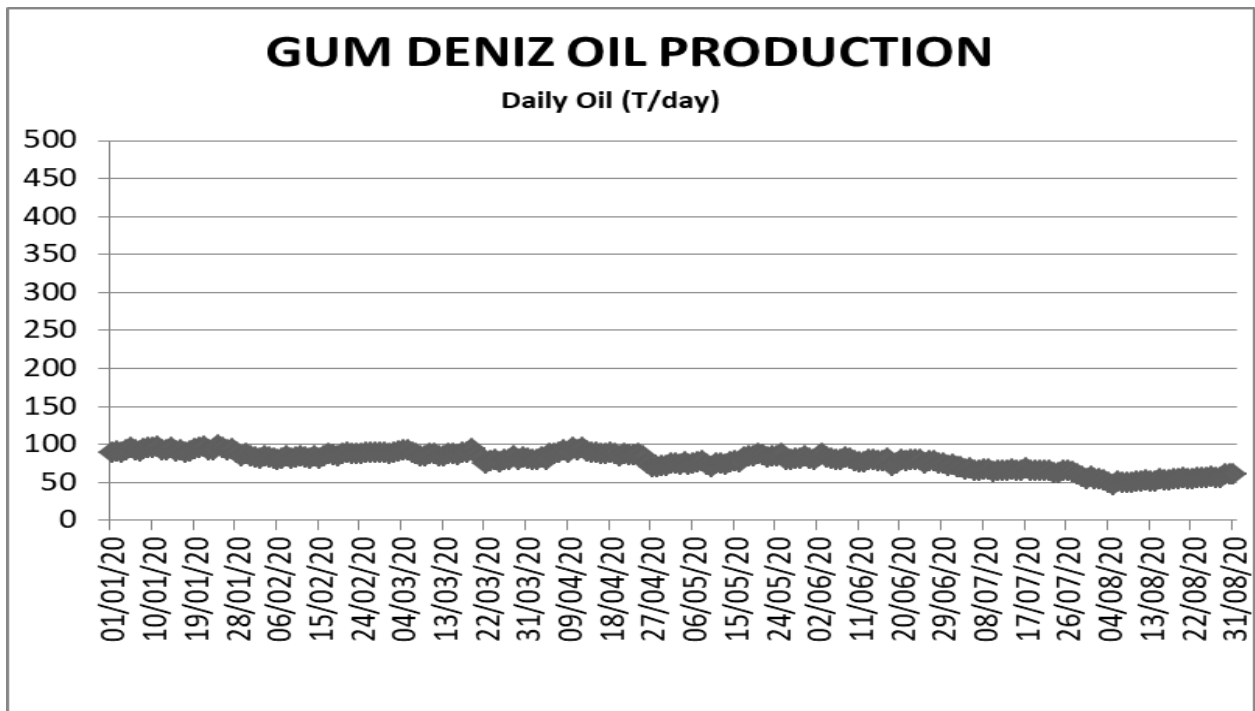
- WOs continues at GD-202 well.
- Due to production stop in the well GD-467, it went thru WOs and recompleted by GLV method.

- Well GD-417 was producing water therefore “Schlumberger” ESP was POOH, well is waiting for WOs.
- WOs were done in at GD-477 and well was completed.
- Well GD-456 went thru WO and completed by GLV method.

c) Year to Date Production: Gum Deniz



d) Oil Production for Last Six Months



e) Production – Bahar

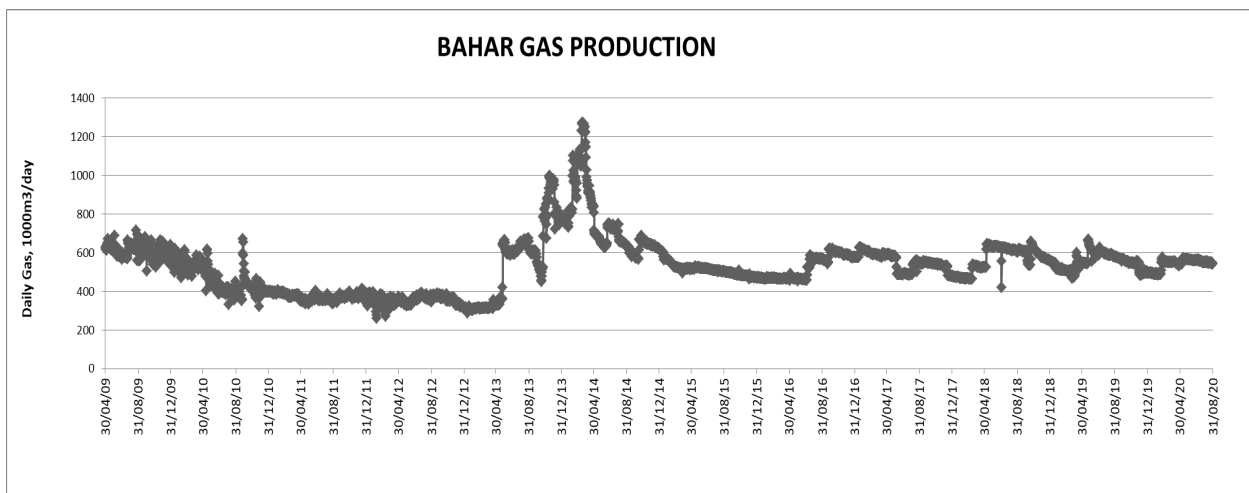
- Bahar daily gas delivery realized as an average of 559 590 m3/day.
- Gas delivery was 19.76 MMcfd.

The chart below shows the reasons for gas delivery decrease:

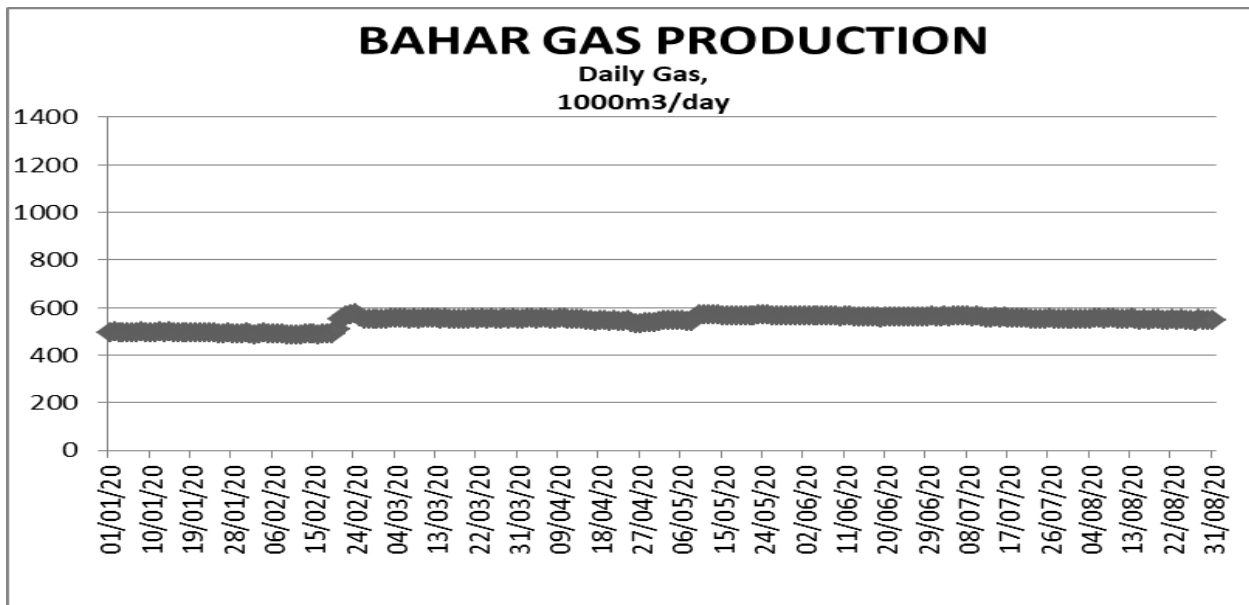
Gas Production Rate Differences Between July and August 2020												
Date / Well#	83	140	144	167	170	171	175	179	182	205	241	Total, x1000 m3
July 2020	37	50	26	64	121	42	78	75	1	20	49	563.0
August 2020	37	50	26	60	120	41	78	75	1	19	48	555.0
Difference												-8.0

- WOs continue in the well#169 on PLT168 at Bahar field.
- The construction division's team continue repairs on GZU.2, PLT.196 & PLT.175 at Bahar field
- During the report covering period Shirvan crane vessel loaded to its board one 28m Derrick from Zira Port and took it to Gum-Deniz PLT 412, offloaded and placed it onto the well418. Ulluchay crane vessel delivered a 25 tonner mobile crane to GZU-2 and took on its board a 50 tonner mobile crane from GZU 2. A 200 m3 iron tank from GZU-3 was taken on board and offloaded on PLT 181 at Bahar field. Took 4 panels 10 x 10m its board from the PLT No. 181 at Bahar field, took direction over to PLT 196.

f) Year to Date Production: Bahar



g) Bahar Gas Production for Last Six Months:



h) Additional Production Works:

- Construction of “Closed Loop System” project stipulated to prevent pollution of environment through discharge of formation water from technological storage reservoirs located at Oil Processing Unit is ongoing by “Construction Department”.
- Line connection works of 20” production line considered between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit by Construction team are currently ongoing
- Due to removal of Gas Distribution Point at causeway connected to PLT450 “Construction Department” initiated installation of 3 ea of 2.5” gas lift lines running from causeway PLT009 to PLT450 at Gum-Deniz Field, works are currently ongoing
- The replacement of an old 8” gas lift line with processed water line along the entrance road carried out by “Construction Department “is currently ongoing
- The leak on a 20” production line along the causeways at Gum-Deniz field was eliminated and line was put back to operation.

(August 2020)	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	7
Fluid level survey	48 (18 wells)
Sulfanol treatment in wells	-
Salinity measurement in wells	81
Soap stick application in gas wells	-

i) Transportation Division:

Auto-Transportation Field Report for August 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	67							
Pulling Units serving for WO	9	856	856	111				
Stationary Type Pump (V-12)(V-16)	1	90	90	1				
Stationary Type Pump (V-16)				8				
Drawwork (QBQ-120)	2	478.5	478.5	81				
Mobile Boiler Truck (Consisting of two parts)	1	2	3.5	2				
Cement Trucks serving all BEOC Departments	11	1356	227.5	181	9			
Water Tank Trucks of Autotransportation Workshop	3	480	61.5	24	3810			
Other vehicles of Autotransportation field	7	840	72	19	1390			
Number of Trucks put back into service after a long term repair works								
Rented Heavy/ Civil Plant trucks						6/73	5/months	7/26
Buses and Minibuses by Service contract							16/months	

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

Logistic Report for Lifting Operations for August 2020			
01.08-31.08			
Months	Orders	Weight (kg)	Hours
GENERAL	Total: 67	Total: 728000	Total: 139

Marine Transportation Report for August 2020								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	22 days			842,670 kg	NO		TOTAL-45	TOTAL-8
MAGIC-1	18 days	237	249		NO			
XEZER-3	2 days			218,000 kg water	NO			
SLV-363	2 days			102,588 litres	NO			
SHIRVAN	1 days			204,000 kg	NO			

j) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2020

ACTIVE ENERGY	Kwatt								
LOCATION	January	February	March	April	May	June	July	August	TOTAL
GumDeniz - Field	900,000	742,000	805,600	800,000	812,000	798,000	714,000	630,000	6,201,600
Compressor station 14	260,000	90,000	110,400	105,000	111,000	220,000	686,000	686,000	2,268,400
Compressor station 1	356,000	215,000	249,000	253,000	274,000	410,000	405,000	342,000	2,504,000
Compressor station 2	530,000	470,000	498,000	481,000	499,000	600,000	828,000	612,000	4,518,000
Automotization Industrial Processes	7,200	6,286	7,986	7,829	8,794	8,708	8,246	7,900	62,949
Electric workshop	7,500	6,500	10,980	9,032	8,995	8,809	8,347	8,150	68,313
Oil Process	80,000	66,000	84,560	79,500	86,500	88,500	75,000	80,000	640,060
5000 area	152,000	132,000	178,000	172,000	173,000	171,000	180,000	170,000	1,328,000
Gas Process	8,662	8,261	11,170	8,437	3,592	3,253	3,767	3,368	50,510
Workover	43,324	40,128	57,960	56,010	60,173	57,302	56,840	39,684	411,421
Offices	83,700	77,900	79,060	40,060	44,223	52,100	51,638	48,472	477,153
Transportation	42,032	38,900	48,700	46,750	52,816	48,405	47,943	44,768	370,314
Laboratory	23,015	21,130	23,230	20,685	23,848	21,203	20,741	17,575	171,427
Construction	12,102	10,400	15,493	18,350	23,339	20,489	20,489	31,361	152,023
Water supply	167	146	129	31	28	52	49	48	650
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	19,224,820
0.076271187									
COST AZN total	191,113	146,795	166,292	159,993	166,371	191,274	236,903	207,559	1,466,300
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	11,409,956

k) Workovers:
Bahar WO's

- BHR 169 – Successfully milled left in hole string down to 4027.15m, total milled 135m from LIH string. As per G&G advice, depth was indicated as productive. Scraped 5-1/2" Casing, performed Wireline Gamma Ray Neutron Log, BP set at 4029m. Will continue with cement dump onto the BP and perforate at 3930 - 3932m, 3924 - 3927m, 3914 - 3915m intervals of Hor. VII with 86mm TCP guns. Planning to put well on production by 6th of September.

Gum-Deniz WO's:

- GD 477 – Rig was skid from G476. TD checked via wireline at 2406m, zone filled with sand. Pulled PS. RIH w/Sand Bailer, bailed and cleaned down well bore from sand to 2478.8m in two runs. MU and RIH w/8 ea. GLV PS, landed at 2301m. POP.
- GD 202 – Based on re-completion plan of in-active wells have started execution of the fishing works. Skidded UPT-50 onto the well. Rental Left Hand Drill Pipes were arranged and delivered to location via Vessel. RIH w/Non Release Spear BHA, performed backing off the left in a hole string, successfully fished out 51 joints of 2-7/8” NEU tubing and fishing works are underway.
- GD 456 – As per plan, 3167 – 3169 m interval was tested for feed rate but with negative result. Zone didn't permeable. Decision been made and BP set at 3150m. RIH w/ Production string with 8 ea. of GLV's landed at 2553m. POP. Will produce and test the exciting zones at Hor. IX.
- GD 445 – Due to sand fill pulled out PS. RIH w/Sand Bailer, bailed and cleaned down well bore from sand to 2365m. MU and RIH w/8 ea. GLV PS, landed at 2365m. POP.
- GD 467 – Moved UPA-80 to the wellsite. Due to sand fill pulled production string. Cleaned the wellbore to 3383.57m with 93mm STC. RIH w/ w/8 ea. GLV PS, landed at 2302.53m. POP.

South Gum Deniz WO's.

- GD 417 – Due to high water cut decision been made to POOH ESP. Crew was moved, RU the Rig. Pulled ESP Assy. RIH w/200m of kill string. NU WH equipment. Crew moved back to onshore.

- 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
Total	60	37

- Summary of Workover Activity

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 169	Fishing / Recompletion	40-2-169-01-20	22M \$	405M \$	383M \$
GD 477	Recompletion	40-1-477-02-20	38M \$	40M \$	2M \$

- Summary of Well Service Activity

Well Services		
Well	Operation	Actual Cost
GD 467	Well Service	31.5M \$
GD 417	Equipment recovery	15M \$
GD 456	Remedial Cementing Job	55M \$
GD 445	Well Service	64M \$
GD 202	Fishing	8.5M \$

III) Construction Department: *Reported by AliIskender Gurbanzade*

CONSTRUCTION PROGRESS REPORT FOR AUGUST 2020

#	Specific Field/Location	Work Description	Status
		Gum-Deniz	
1	Gum-Deniz,Causeways	Pile hammering in between causeway 66 and PLT450	completed
2	Gum-Deniz,Causeways	Pile hammering works commenced in between Causways crossroads and PLT 9	in progress
3	Gum-Deniz,Causeways	Installation of cable supports along the causway	in progress
4	Gum-Deniz, PLT-208	Work have commenced on assembling and installing the gas manifold of well # 456 and linking the newly laid 2.5 "gas lift line with Gas Distribution Point and well#456. The gas manifold assembling works are carried out. Works are done.	completed
		Bahar field	
5	Bahar, GZU-2	Piles hammering works have been completed to go on with collector spool, 2 separators, the accomodation of waste water lines . Work is carrying out on connection of existing piles with new hammered ones.	in progress
6	Bahar, PLT-168	The repair of the workfloor of the well#165 and rotary supports	in progress
7	Bahar, PLT-196	Construction, installation works commenced at PLT 196 of Bahar field	in progress
8	Bahar, PLT-175	In the northern part of the PLT, works on reinforcment by suspension of separators located area , and preparations are being made for the repair of the dock on the west side of the residential area.	in progress

Additional Works

1	In the hangar No. 1 of the central warehouse area, the installation of shelves for the collection of goods and materials has been suspended	suspended
2	The engine base of 25Q-50 type compressor unit No. 12 was repaired in the machine hall of compressor station No. 14 and the inlet-outlet pipelines to the machine were connected at CS, Gas Collection and Transportation areas. Waiting on unit to put in place. Work is in progress.	in progress
3	Linking works of 4th, 1st tanks and 12" line @ 5000m ³ area of Pump Station and Oil Preparation & Transportation field were completed. Pipeline supports' installation works are done.	completed
4	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. Works are on-going	in progress
5	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. Works are on-going.	in progress
6	The repair of the outlet salt water line of the pump No. 12 12 NDS type in the water pumping station of the compressor station No. 1 of "Pump Station and Oil Preparation & Transportation field" was partly completed. The linking to existing system is temporary on hold.	suspended
7	Repairs was carried out on corroded pipeline supports of 20" production pipeline which along the causeway. Works are done	completed
8	Works are carried out on installation of new foundation for under the engine of pumpstation at 5000 area of Oil Prep. & Transport. Field. Works are done.	completed

IV – SUBSURFACE: *Reported by Ray Larijani*

Workover Programs prepared

- GD-477 Clean sand plug down to TD.
- GD-417 Pull the tubing string with ESP out of the well. RIH 200m tubing string.
- GD-467 Clean sand plug down to TD.

Wells logged/re-logged

GD-456, B-169

Wells completed

- B-169 Fishing/Recompletion. Expected gas rate is 40 Mm³/d. Actual cost 22M \$.
- GD-477 Recompletion. Cleaned sand plug. Run production tubing with gas lift valves. Actual cost 38M \$.
- GD-467 Well service. Cleaned sand plug. Actual cost 31.5M \$.
- GD-417 Equipment Recovery. POOH ESP due to high water cut. RIH with 200m killing string. Actual cost 15M \$.
- GD-456 Remedial Cementing Job. Horizon NKG 3167-3169m interval tested , zone did not permeable. BP set at 3150m. Plan is to produce from horizon IX interval 2589-2594m. Actual cost 55M \$.
- GD-445 Well Service. Cleaned sand plug down to 2365m. Actual cost 64M \$.
- GD-202 Fishing. Continues. Actual cost 8.5M \$.

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:
- GD-456 INNK
- B-169 NGL

b) Geology

c) Reservoir Engineering

- 2021 AWP preparation has started.
- 2021-2024 years forecasted production and delivery numbers submitted to SOCAR UPSTREAM according to the request.
- 2020-2035 years forecasted production and delivery numbers submitted to ministry of economy according to the request.
- 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.

d) Seismic

- GD BVIII-BX fault system review based on the old seismic data completed.

e) Task Scheduler

No.	Tasks started	Start date	Provisional completion date	Completion date
	GD Field			
1	GD NKP Simulation and Forecast	30 June 2020	31 December 2020	
	Bahar Field			
1	Bahar FS-BX-BIX Geomodelling, Simulation & WO Candidates Forecast	12 May 2019	30 September 2020	
	Completed			
1	B-169 horizon VI production prediction based on hydrodynamic model.	10 August 2020		11 August 2020
2	GD BVIII-BX fault system detailed interpretation based on the old seismic data	15 July 2020		31 August 2020

V – FINANCE: *Reported by Rasul Gafarov*

a) On a Monthly Base:

- Completed Jul-20 accounting cycle in accordance with the monthly schedule.
- According to JOA issued Jul-20 Monthly reports to Contractor Parties.
- According to JOA Aug-20 and Sep-20 Cash Calls distributed to Contractor Parties.
- Issued Jul-20 Additional Monthly reports to Contractor Parties.
- Issued and distributed Jul-20 Monthly departmental cost reports to Budget Holders / Department Managers.

- Issued and submitted Jul-20 monthly reports to government bodies, including but not limited:
- Prepared and submitted monthly Jul - 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;
- BEOC Cost Recovery Report;
- BEL Profit Tax Return;

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

a) Procurement

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

- NUMBER OF ACTIVE CONTRACTS

- OPS/WO/LOG – 99 (incl. 16 transportation services and 19 services contracts for empl.);
- Construction – 19;
- HSE – 12 (including 1 service contract for empl.);
- G&G – 12 (incl. 3 consultancy contracts & 2 contracts for payment purpose only);
- ADMIN – 18 (incl. 1 service contracts for empl.);
- HR – 4;
- ITC – 12;
- Legal – 16;
- PM – 14 (incl. 4 contracts for payment purpose only);
- Finance – 3;

- NUMBER OF ADDENDUMS / EXTENSION -26

b) Warehouse and Materials

- 183,525.00 kg handled without incident;
- WHS received 24 PO's, 31 line items for the amount of AZN 91,739.48;
- WHS issued 265 line items for the amount of AZN 408,923.40;
- 19 (nineteen) NCR's raised; 8 (eight) NCR's was closed;
- Fuel station received 102,588.00 Liter of Diesel;

- Fuel station issued 121,655.00 Liters of Diesel;
- Fuel balance on September 1, 2020, is 23,862.00 Liters

VII – LEGAL, HR, ADMIN, SECURITY & COMPLIANCE PROCESS: *Reported by Ahmadiyya Musayev*

a) Legal, Compliance, Document Control & Translation issues

- Company interests were represented in court case with vendor, necessary solicitations and applications were filed;
- Discussions were held with bailiffs office regarding the flexibility of measure;
- Redundancy of one vice-president position was implemented;
- Order on restricting of Admin and Security departments and change of subordination was issued, multiple related documents were prepared in connection with this restructuration;
- Necessary documents were prepared and filed with State Migration Service for the terminated expat employee;
- Analysis were made and response letter was sent to SOCAR VP regarding BEOC's contract with FHH, call out basis transfer support was requested;
- Discussions on multiple occasions were held with an NGO regarding employee issues;
- Company org charts were updated;
- Letter was prepared and sent to the Operative Headquarters under the Cabinet of Ministers for obtaining a visa for Rep Office President;
- Necessary legal support and follow-up reporting carried out within the pay reduction program;
- Contacts were maintained with SOCAR and SOCAR Upstream, Cabinet of Ministers Decisions were followed up and subsequent orders were prepared for application at the Rep Office arising from Covid 19 situation;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application;
- Certain incoming letters were addressed with necessary input;
- Necessary internal orders were drafted/reviewed and commented;
- Rep Office's different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

b) HR issues

- Use of the outstanding vacations was monitored;
- 2 employee contract was terminated (due to resignation application of employee);
- To be expired contracts were followed up and management was updated;
- 6 term agreements were prolonged;
- Overall 417 HR related operations have been made through this month;
- 202 vacations and 39 bulletins have been written and entered to the HRB system;

- Scanning of employee personal files continued;
- Review and revisions of current job descriptions were ongoing;
- Review of employee personal files continued.
- Meetings were held with HRB system provider to discuss issues related with software;
- Performance Appraisal of Company employees for 2019 was followed up;
- Various Headcount reports were provided to SOCAR;
- Electronic permissions were controlled and updated on e-gov to ensure uninterrupted access of employees to working places.

c) Administrative affairs

- The staff of Klimatex company, which provides services under the contract, was ordered to repair the air conditioners in our company. The malfunctioning air conditioners were repaired;
- The canteen has started to operate. The refrigerator in the canteen has been replaced with a new one because the old one was not working. The electric heater has been repaired; According to the internal rules, instructions regarding the social distance between the seats, tables, etc. have been given;
- The surrounding areas were cleared by gardener Nizami Hasanov and trees as well as lawns were irrigated;
- Rooms No. 201-205 were repaired, new paintwork was carried out, items in room No. 203 were transported and placed in room No. 205, and fully handed over;
- Cleaners disinfected the entrance doors of offices and bathrooms with special cleaning disinfectants.

d) Security

- 246 person and 177 vehicles entered to BEOC 192 area based on request issued for one time entrance permissions;
- Maintaining records in the log book of 472 employees who left for Bahar (working per shift) and their availability at work was checked during August;
- Deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel;
- The specialists of the Department took part in the control of the transfer of 102588 liters of diesel fuel to "Bahar" area;
- The specialists of the Department took part in the process of delivery of 180 drill pipes (of 73mm) to the "Bahar" area.

- No disruption in ICT department
- 91 helpdesk requests were processed
- Faulty A3 printer in MMTIX office was fixed
- All empty cartridges were replaced
- One malfunction printer has been repaired
- Replaced one faulty computer at the compressor station
- 4 Computers were upgraded to Windows 10 OS
- All printers have been checked
- All empty cartridges were replaced
- All servers checked and backed up.

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