

**BAHAR ENERGY OPERATING COMPANY LIMITED**

**Monthly Report**

**September 2022**

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**I- HEALTH, SAFETY & ENVIRONMENT: Reported by Aslan Bakhishov, Manager of HSE Department**

**Summary: HSE:**

- No incidents were recorded in September.
- TRIR is 0.00 by the end of September.

**Monthly Safety statistics (Lagging indicators)**

| Month        | LTI      | Man Hours     | TRIR     | Incidents (FA,LTI,NM, PD,RT) | PTW        |
|--------------|----------|---------------|----------|------------------------------|------------|
| January      | 0        | 89632         | 0        | 0                            | 55         |
| February     | 0        | 79032         | 0        | 0                            | 44         |
| March        | 0        | 91343         | 0        | 0                            | 59         |
| April        | 0        | 84682         | 0        | 0                            | 58         |
| May          | 0        | 89885         | 0        | 0                            | 51         |
| June         | 0        | 83030         | 0        | 0                            | 53         |
| July         | 0        | 77358         | 0        | 0                            | 61         |
| August       | 0        | 80956         | 0        | 0                            | 42         |
| September    | 0        | 79520         | 0        | 0                            | 44         |
| <b>Total</b> | <b>0</b> | <b>755438</b> | <b>0</b> | <b>0</b>                     | <b>467</b> |

**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

**High Level HSE Comments:** No incident was recorded during this month.

**HSE Activity**

**- HEALTH:**

- Daily monitoring of COVID-19 vaccination status of BEOCL employees was carried out by HSE department. 526 employees (100%) received 1<sup>st</sup> dose, 526 employees (100%) received 2<sup>nd</sup> dose, 454 employees (86.5%) received 3<sup>th</sup> dose, 6 employee received 4<sup>th</sup> dose vaccine by the end of September.
- Installed 25 special dispensers for hand sanitizer regularly control and filled by HSE representatives at the BEOCL premises.
- 64 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.
- Snake repellent treatment against poisonous snakes has been carried out in our production areas.

**- SAFETY:**

- Safety inspections of BEOCL sites and work activities were carried out.
- General HSE induction was conducted for 33 newcomers/ visitors.

- In accordance with Local Regulation the Health and Safety knowledge evaluation of 6 BEOCL technical and engineering employees was carried out.
- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspection was completed and reported. Firefighting water pump was tested at the Oil Process and Transportation field.
- Fire water poles were inspected, valves, taps and heads were serviced, each water pole was numbered, and a monthly inspection tag was hung on it and registered for control.
- Firefighting boards were inspected and registered. Missing firefighting tools (shovel, axe, link, bucket, etc.) on the fire boards were provided /completed.

**- ENVIRONMENT**

- Environmental Statistics for Month/Annual

| Month        | Spills Number | Spill Volume | Comments |
|--------------|---------------|--------------|----------|
| January      | 0             | 0            | 0        |
| February     | 0             | 0            | 0        |
| March        | 0             | 0            | 0        |
| April        | 0             | 0            | 0        |
| May          | 0             | 0            | 0        |
| June         | 0             | 0            | 0        |
| July         | 0             | 0            | 0        |
| August       | 0             | 0            | 0        |
| September    | 0             | 0            | 0        |
| <b>Total</b> | 0             | 0            | 0        |

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (42 m3) was disposed through Hovsan Sewage treatment plant.

**Inspections from enforcement agencies, shareholders & third party:**

State Fire Control Service conducted next inspection at the worksites of BEOCL on 21-23 September 2022.

Outstanding non-conformities recorded by: & percentage of completion

Issued on 23.09.2022 -State Fire Control Service – 40%

Issued on 30.06.2022 -State Agency for Safe work in Industry and Mining Control – 62%

Issued on 14.07.2022 - Ministry of Ecology and Natural Resources – 100%

Issued on 14.07.2021 - SOCAR Upstream – 60%

Issued on 06.05.2022 -Industrial Safety Department of SOCAR – 100%

**Training and other activities:**

- As a part of HSE Assurance Plan 2022 Safety Stand down Meetings were conducted at the BEOCL worksites in the following topics in September:

“Energy Isolation” for 20 employees.

“Workplace Fire Safety” for 22 employees.

**II - PRODUCTION OPERATIONS:** *Reported by Alamdar Useynov.*

Production year to date is shown in the table below:

| OIL and GAS Production 2022 Budget and Actual |   |                         |                                       |                               |                    |                               |  |                              |                               |                     |                      |                  |                              |                               |                    |                  |                  |
|---|---|-------------------------|---------------------------------------|-------------------------------|--------------------|-------------------------------|--|------------------------------|-------------------------------|---------------------|----------------------|------------------|------------------------------|-------------------------------|--------------------|------------------|------------------|
| Sep-22  | 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 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                                       | 71  | 7.47                    | 528                                   | 70                            | 521                | 93                            | 685                                      | 460,294                      | 16,255,283                    | 437,234             | 15,440,919           | 2,778            | 713,541                      | 25,198,700                    | 4,533              | 3,306            | 5,218            |
| February                                      | 72  | 7.48                    | 535                                   | 73                            | 546                | 105                           | 777                                      | 504,296                      | 17,809,213                    | 478,309             | 16,891,482           | 3,039            | 790,583                      | 27,919,439                    | 5,022              | 3,574            | 5,799            |
| March   | 78  | 7.51                    | 582                                   | 82                            | 613                | 100                           | 740                                      | 500,733                      | 17,683,386                    | 478,175             | 16,886,750           | 3,038            | 771,878                      | 27,258,872                    | 4,904              | 3,620            | 5,644            |
| Q1 Average                                    | 73  | 7.49                    | 549                                   | 75                            | 560                | 99                            | 734                                      | 488,441                      | 17,249,294                    | 464,573             | 16,406,384           | 2,951            | 758,667                      | 26,792,337                    | 4,820              | 3,500            | 5,554            |
| April   | 40  | 7.51                    | 302                                   | 61                            | 460                | 102                           | 753                                      | 580,722                      | 20,508,197                    | 539,801             | 19,063,072           | 3,429            | 805,741                      | 28,454,743                    | 5,119              | 3,731            | 5,871            |
| May   | 65  | 7.51                    | 486                                   | 58                            | 439                | 99                            | 734                                      | 594,412                      | 20,991,660                    | 538,360             | 19,012,183           | 3,420            | 814,953                      | 28,780,065                    | 5,177              | 3,906            | 5,911            |
| June  | 77  | 7.48                    | 576                                   | 63                            | 471                | 100                           | 737                                      | 581,241                      | 20,526,526                    | 523,219             | 18,477,479           | 3,324            | 859,693                      | 30,360,058                    | 5,461              | 3,899            | 6,198            |
| Q2 Average                                    | 61  | 7.50                    | 454                                   | 61                            | 457                | 100                           | 741                                      | 585,458                      | 20,675,461                    | 533,793             | 18,850,912           | 3,391            | 826,796                      | 29,198,289                    | 5,252              | 3,846            | 5,993            |
| JULY  | 60  | 7.45                    | 447                                   | 56                            | 416                | 97                            | 718                                      | 619,257                      | 21,869,061                    | 559,705             | 19,765,982           | 3,556            | 846,288                      | 29,886,661                    | 5,376              | 4,002            | 6,094            |
| AUGUST  | 52  | 7.46                    | 386                                   | 52                            | 388                | 99                            | 733                                      | 689,481                      | 24,349,022                    | 635,967             | 22,459,175           | 4,040            | 839,770                      | 29,656,478                    | 5,335              | 4,426            | 6,067            |
| SEPTEMBER                                     | 30  | 7.47                    | 225                                   | 54                            | 402                | 101                           | 747                                      | 655,477                      | 23,148,170                    | 575,972             | 20,340,451           | 3,659            | 887,995                      | 31,359,543                    | 5,641              | 3,884            | 6,389            |
| Q3 Average                                    | 47  | 7.46                    | 353                                   | 54                            | 402                | 99                            | 733                                      | 654,738                      | 23,122,084                    | 590,548             | 20,855,203           | 3,752            | 858,018                      | 30,300,894                    | 5,451              | 4,104            | 6,183            |
| OCTOBER                                       |   |                         |                                       |                               |                    |                               |  |                              |                               |                     |                      |                  |                              |                               |                    |                  |                  |
| NOVEMBER                                      |   |                         |                                       |                               |                    |                               |  |                              |                               |                     |                      |                  |                              |                               |                    |                  |                  |
| DECEMBER                                      |   |                         |                                       |                               |                    |                               |  |                              |                               |                     |                      |                  |                              |                               |                    |                  |                  |
| Q4 Average                                    |   |                         |                                       |                               |                    |                               |  |                              |                               |                     |                      |                  |                              |                               |                    |                  |                  |

**Production – “Gum-Deniz”:**

- “Gum-Deniz” field’s average production rate is 54 tons/day. Delivery is 30 tons/day.
- During the period covered by the report, we did not have any solution gas deliveries, the volume of gas needed for oil processing and domestic demand of compressors was 2,670,000 m3 (89,000 x 30).

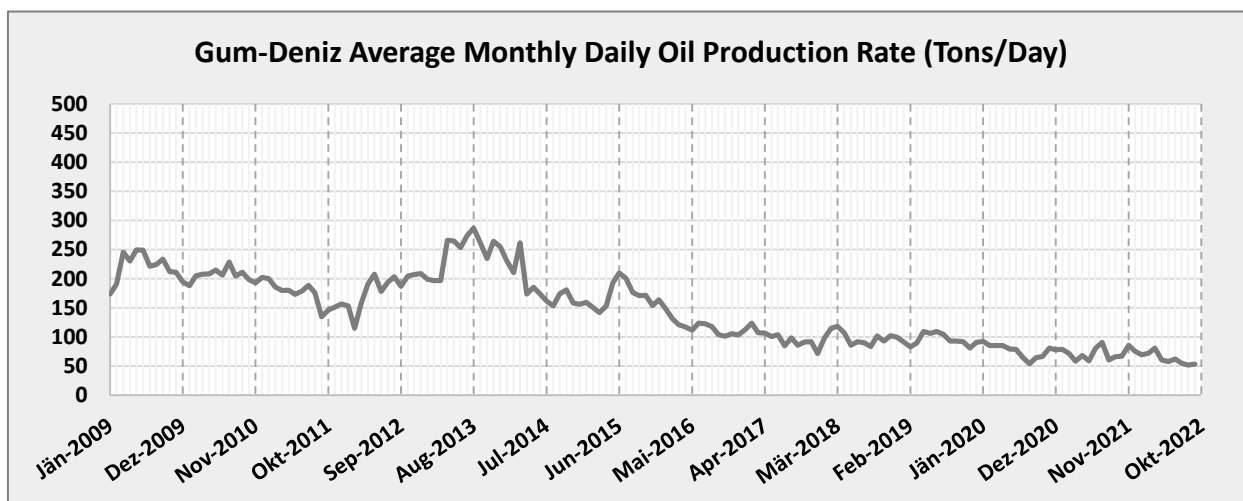
The chart below shows the reasons for increase in oil production:

| Oil Production Rate Differences Between August and September 2022 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |           |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| 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 |
| August 2022   | 1   | 2   | 0   | 0   | 3   | 14  | 3   | 0   | 6   | 0   | 3   | 10  | 0   | 0   | 0   | 3   | 5   | 0   | 0   | 0   | 1   | 1   | 2   | 3   | 6   | 2   | 2   | 2   | 1   | 0   | 6   | 2   | 0   | 78        |
| September 2022  | 0   | 2   | 0   | 0   | 2   | 14  | 2   | 0   | 7   | 0   | 1   | 11  | 0   | 0   | 0   | 2   | 7   | 0   | 0   | 0   | 1   | 1   | 2   | 4   | 5   | 4   | 2   | 5   | 0   | 0   | 5   | 2   | 0   | 80        |
| Difference  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     | 2   |     |     |     |     |     |     |           |

- The well GD-058 was handed over to workover due to 100% water cut. The workover operations are ongoing.
- The well GD-038 was handed over to workover due to decrease in production. The workover operations have been completed and the well was put on production using the gas lift method.
- The workover operations on well GD-445 were completed and the well was put on production using the gas lift method.

- The workover operations on well GD-479 were completed and the well was put on production using the gas lift method.
- The well GD-444 was handed over to workover department. The workover operations are ongoing.
- The workover operations in well GD-203 are ongoing.
- The workover operations in well GD-474 are ongoing.
- The workover operations in well GD-351 are ongoing.
- The workover operations in well SGD-413 are ongoing.

**Year to Date Production – “Gum-Deniz”:**



**Production – “Bahar”:**

- “Bahar” field’s average daily gas delivery is 575,972 m3/day.
- Gas delivery was 20.34 MMcfd.

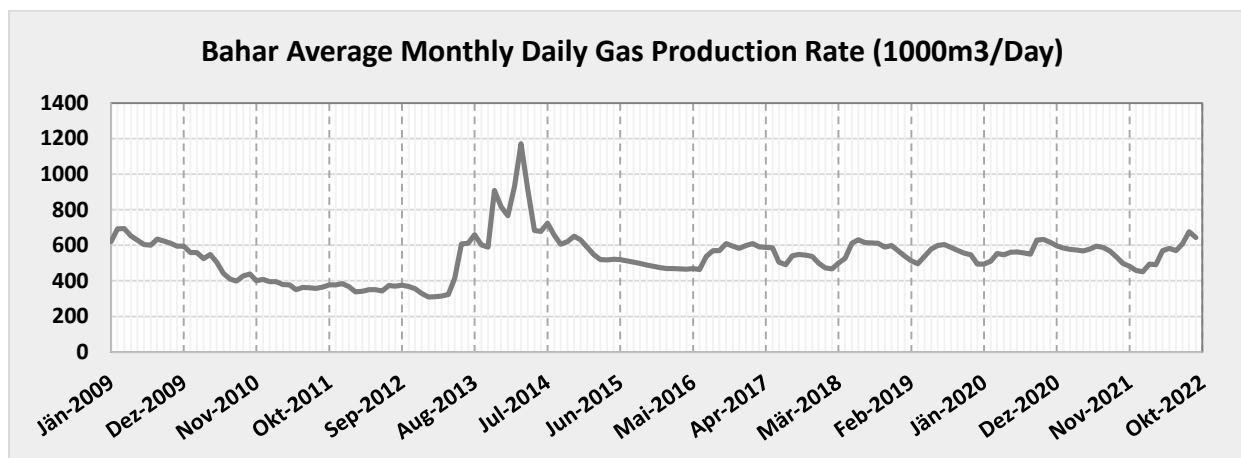
The chart below shows the reasons for gas delivery decrease:

| Gas Production Rate Differences Between August and September 2022 |    |     |     |     |     |     |     |     |     |     |     |     |     |     |                 |
|---|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------------|
| Date / Well#  | 83 | 140 | 144 | 165 | 167 | 169 | 170 | 171 | 175 | 179 | 182 | 205 | 206 | 241 | Total, x1000 m3 |
| August 2022   | 37 | 38  | 56  | 97  | 0   | 95  | 98  | 1   | 72  | 68  | 1   | 23  | 43  | 47  | 676.0           |
| September 2022  | 37 | 39  | 55  | 90  | 6   | 86  | 95  | 1   | 73  | 70  | 1   | 8   | 44  | 48  | 651.7           |
| <b>Difference</b>   |    |     |     |     |     |     |     |     |     |     |     |     |     |     | <b>-24.3</b>    |

- The workover operations in well No.167 at PLT.168 of the “Bahar” field were completed and the well was put on production. However, due to no production, the well was handed back to workover department.

- The workover operations in well No.74 at PLT.70/106 of the “Bahar” field were completed. The well was abandoned due to no production.
- The workover operations in well No.190 at PLT.065 of the “Bahar” field are ongoing.
- The construction and repair works at PLT.9/129 of the “Bahar” field are ongoing.
- The construction and repair works at PLT.077 of the “Bahar” field are ongoing.

### Year to Date Production – “Bahar”



During the period covered by the report, "Shirvan" type crane vessels worked on lease.

#### ***Works performed by the "Shirvan" crane vessel:***

- Took on board 1 pc of 10x10 metal panels from "Bahar" PLT.65.
- Took on board 1 pc of 10x10 and 1 pc of 10x8 metal panels from "Bahar" PLT.20.
- Took on board 1 pc of 10x10 and 1 pc of 10x8 metal panels from "Bahar" PLT.48.
- Transported and installed 2 pcs of 10x8 and 1 pc of 10x10 metal panels on well No.129 at “Bahar” PLT.9/129.
- Delivered 2 pcs of 10x10 metal panels to "Bahar" PLT.175.
- Transported and installed 4 pcs of 8x10 metal panels on the southern part of well No.77 at "Bahar" PLT.77. In addition, transported and installed 1 pc of 10x10 metal panels on the eastern part of well No.77 at “Bahar” PLT.77.

#### **Additional Production Works:**

- The "**Closed System**" project designed to prevent the environmental pollution by the formation water discharged from the technological tanks at Oil Processing and Delivery Field is being continued by the "Construction Department".

- The 5,000-meter tank, which collects groundwater from the 5,000-meter area in "Oil Processing and Delivery field", has been prepared for repair work and waiting for construction crew.
- Cleaning and replacement works of the formation water line from crystalline sediment deposition between "Oil Processing and Delivery field" and the Island are being carried out by the "Construction Department".
- Appropriate work is being done by the "Construction Department" to increase the efficiency of the water line feeding the cooling system at the "Gas Processing and Delivery Field".
- The work of relocating the gas/liquid measurement junction in PLT470 belonging to the "Gum-Deniz" field has been completed.
- "Gum-Deniz" field, due to the liquidation of GDU on causeway PLT 450, 3pcs 2.5" gas lift lines were laid from causeway PLT9 to causeway PLT450, and joining works are ongoing by the construction division.
- The construction of the OGSU-2 Separator park, designed for separation and delivery of the "Bahar" field's gas to the Gas Export Department in order to increase the quality of the natural gas produced by the "BEOCL" Company, continues.

| <b>September 2022</b>                       |                             |
|---|-----------------------------|
| <b>Name of the operation</b>                | <b>Completed Operations</b> |
| Hot Light Oil and Diesel Operation in wells | 9(5 wells)                  |
| Fluid level survey                          | 55(15 wells)                |
| Sulfanol treatment in wells                 | 3(3 wells)                  |
| Salinity measurement in wells               | 98(30 wells)                |
| Soap stick application in gas wells         | -                           |

**III – CONSTRUCTION:** Reported by Panah Mammadov

| <b>#</b>         | <b>Field/Location</b> | <b>Work Description</b>   | <b>Status</b> |
|------------------|-----------------------|---|---------------|
| <b>Gum-Deniz</b> |                       |   |               |
| 1                | Gum-Deniz, Causeways  | In order to re-commission well No. 005, located on location 470 in the island area, which has been out of operation for a long time: the re-installation and connection of "GSU", "Fluid Measurement" junction and "Household gas" separator near the area have been completed. | Completed     |

|   |                           |   |             |
|---|---------------------------|---|-------------|
| 2 | Gum-Deniz, Causeways PLT9 | Installation of a platform due to spot change of the unit PQ13 located in between the crossroad and PLT9. Initial stage of the build has been completed by metal construction and welding works. Next, the side walls of the building are being constructed.              | In progress |
| 3 | CS, OGSU-2                | On the basis of the project, Representation of BEOCL in the Republic of Azerbaijan, Reconstruction of the separator system in order to improve the quality of sales gas from the "Spring" field in OGSU2. Installation of 6 new separators and coordination between them. | In progress |
| 4 | Gum-Deniz, Causeways No.2 | "Gum-Deniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for workover operations. Work is underway to install a rack around the well to accumulate the platform and pipes. Currently workes are being carried out around the well No.352.    | In progress |

### Bahar field

|   |  |   |                                      |
|---|--|---|--------------------------------------|
| 1 | Bahar, offshore oil&gas collecting Unit No.2 | The project continues to install 12" fluid and gas lines and supports along the existing bridge direction.Expansion of the existing comb separator area in the south-western part of the working area.Reinforcement of lines from wells in the southern part of the existing work site and installation of a 6x13m size service area.The installation of comb separators and pipe-fitting joints, manufactured and delivered from the workshop, has been completed on the newly installed panels. Connecting new lines with existing lines and laying a new technical water line. | Work has been temporarily suspended. |
| 2 | Bahar, PLT-65                                | In order to prepare for the WO of wells 187, 189, 190 and 191 located in the "Bahar" field, PLT 65, and the repair work to be carried out. In the western part of the platform, 8x10x40m metal plates were installed in the area intended as living block. Curently wells 187, 189, 190, and 191 are ready for WO.  | In Progress                          |
| 3 | Bahar, PLT-9/129                             | Installation of metal panels and repair/construction works of PLT 9/129 in connection with WO of wells 129; 9; and 45.  | In Progress                          |
| 4 | Bahar, PLT 48                                | Preparation of well No145 for WO in PLT48. Installation of a sliding section on the north and south sides of the metal plate to slide the derrick over wells 144 and 145 has been completed. Assembling of the underrotor supports of wells 145 and 146 and the area around the wells had been completed. The installation and fastening of the new MM in the eastern part of the residential block has been completed.   | In Progress                          |
| 5 | Bahar, offshore oil&gas collecting Unit No.1 | Carrying out works to increase the durability of existing lines and connecting bridges in offshore oil&gas collecting Unit No1.   | In Progress                          |



|    |                   |   |             |
|----|-------------------|---|-------------|
| 6  | Bahar, PLT 77     | As the first stage of PLT 77, in order to prepare the well 77 for WO: the base preparation in order to install metal panels and the replacement of piles around the well and under the rotor.   | In Progress |
| 7  | Bahar, PLT 20     | Installation of 4 pieces of 10x10 and 2 pieces of 8x10m metal panels for the purpose of preparing the well No.205 on PLT 20 for workover operations. Transportation of 10x10 metal panels temporarily placed on PLT 196 to PLT 20 by the Shirvan crane vessel has been completed.   | Completed   |
| 8  | Bahar, PLT 177    | By use of the Shikhlinsiy crane vessel; removal of 2 unusable 53m derricks and installation of 1 53m derrick from well 174 on to well 177 for the purpose of preparing the well No.177 for workover operations has been completed. Waiting for the installation of 10x10m metal plates and relocation of the work crew.       | In Progress |
| 9  | Bahar, PLT 83     | Installation of 4 pieces of 10x10 metal plates for the purpose of preparing the well No.171 on PLT.83 for workover operations. 10x10 metal plate taken from PLT No.20 by Shirvan crane vessel has been installed on pedestal of well No.171. Waiting for the Installation of living quarters and relocation of the work crew. | In Progress |
| 10 | Bahar, PLT 73     | "Elimination of leak on the 8" gas line between the PLT No.168 and the PLT No.58/73 at "Bahar" field. Also the elimination of leak detected at PLT No.58/73. In addition, carrying out works to connect the existing 6" lines at PLT No.58/73.  | In Progress |
| 11 | Bahar, PLT-70/106 | Connecting 8" production line from PLT 65 to PLT 70/106 at Bahar field has been completed. Cutting and dismantling works at PLT 74.   | 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 completed. Next, work is underway on the 3rd hangar. Assembling and commissioning of 15pc shelves are completed. Assembling the shelves of 4th hangar have been completed.  | In Progress |
| 2 | The construction of a hangar for storing chemicals near the hangars belonging to the central warehouse on the island has been completed. Installation and welding of shelves using 2.5" pipes inside the hangar.  | In Progress |
| 3 | "Gum-Deniz" field, in different parts of the causeway, in accordance with the work plan of AFE 70-1-007-01-22Ç TS-01-22-07 dated 07.01.2022, designed for the repair of emergency supports. Driving and connecting the supports at PLT No.9.  | In Progress |
| 4 | Installation of 16"-12" oil trap inlet and outlet lines and 6" drainage lines; pile driving for pumps to be installed; construction of the connection lines; and assembling of frames for trap closure in the "Oil Processing and Delivery Field".  | In Progress |
| 5 | Carrying out repair works in Gas Compressor Machine No5 for the purpose of reconstruction works at CS1 of Gas Processing&Delivery field.<br>In the proses of the repair and reconstruction of machine No. 5 at compressor station No. 1 of Gas Processing and Delivery field: cutting and welding works on the inlet and outlet lines were completed, and next, the repiar and reconstruction of machine No. 5 was completed. | Completed   |

|    |  |             |
|----|--|-------------|
| 6  | Centering and fastening of the tubing head and replacement of the working area around the well with new metal sheets are carried out in order to prepare the well No. 441 at PLT 208 for WO.   | In Progress |
| 7  | The reconstruction of the concrete foundation of the 8NDV type water pump No.3 located in the pump house if the compressor station No.1 of "Gas Processing and Dehydration Field" has been completed. In addition, the connection of these pumps with the existing inlet-outlet lines has been completed. Next, the following works are being carried out in CS-14: reconstruction of the concrete foundation for 8NDV type water pump No.3 and connecting the pumps with the existing inlet-outlet lines are being carried out. | In Progress |
| 8  | "Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the pipes. Lifting of sub-rotor piles around well 352 and connection to existing panel.   | In Progress |
| 9  | In the "5,000" area of the oil processing and delivery field, work has been completed to clean and repair the bottom sediment and deformation of some parts of the formation water trap. Carrying out repair work based on the defect act.   | In Progress |
| 10 | Welding of 2.5" gas lift lines and elbows laid between causeway PLT9 and PLT450 in connection with the relocation of the Gas Distribution Unit.  | In Progress |
| 11 | In the process of the repair and reconstruction of machine No.5 at compressor station No.1 of Gas Processing and Delivery field: cutting and welding works on the inlet and outlet lines were completed, and next, the repair and reconstruction of machine No.5 was completed.  | Completed   |
| 12 | Carrying out the repair works on the protection parts and increasing the stability of the cooling fins of the AVZ type engine intended for the cooling system in Gas Processing and Delivery Field CS No.2.  | In Progress |
| 13 | De-assembly of "UPT-1-50" type PU device installed at causeway PLT2 and moving it on the wells No 203,716, 297, 372 with the help "Hydraulic-Tower Sliding Jack" set.  | In Progress |
| 14 | Preparation of parts for the installation of 2 units of ESP (water pumps) in the intended area of site No. 2   | In Progress |
| 15 | In order to prepare the foundation of the newly installed pump, which is located in the area between the checkpoint and "Halikarnas": Driving 4 pcs of 12" piles, installation of the frame and connecting the pump to the existing line.  | Completed   |
| 16 | Installation of liquid/gas manifolds and connection with existing lines in order to put well No.203 at Causeway 203 on production.   | Completed   |
| 17 | Carrying out repair works using 4" pipe and composite frame for the purpose of repairing the existing damaged floor of the Causeway.   | In Progress |
| 18 | Connecting the decommissioned 12" gaslift line with the formation water line and restoring its unusable parts by welding 10" pipes and preparing it for operation as a formation water line.   | In Progress |

|    |  |             |
|----|--|-------------|
| 19 | Removal of the unusable insulation layer of the 6" line between CS-1 and CS-2, cleaning the line from rust, and carrying out corrosion protection works have been completed. | Completed   |
| 20 | Installation of liquid/gas manifolds and connection with existing lines in order to put wells No.445 and No.444 at Causeway 208 on production.                               | Completed   |
| 21 | Preparation of 12"-10" and 20"-16" transitions in the workshop. Preparation of 16" and 12" clamps  | In Progress |
| 22 | Removal and renovation of the water leakage in the output line of the #4 8 NDV type pump operated at the compressor station No.14 of "Gas Processing and Dehydration Field"  | Completed   |

**IV – WORKOVERS:** Reported by: Yunus Namazov , Workover Department Manager

**Bahar WO's**

- BHR 074 – Recompleted the well at HOR V by perforating at the intervals 3752 – 3747m. NO FLOW! POOH w/ Production String – RD, Prepared the rig to moved out. o flow.
  - BHR 167 – Successfully completed up hole recompletions at the HOR V / Perforated intervals are 3655 - 3652m, 3646 - 3643m intervals. Well started to Flow gas but observed water/mud increase while producing. Monitoring the well productions – Optimizing..
  - BHR 190 – Cleaned the wellbore down to 3869.54m – TOF lost in a hole PDM . RIH w/ 95mm JM Metal Muncher BHA as total 138472m. Ongoing...
- BHR wells as B177, B146, B205 and B171 waiting on crane vessel support to move on and start the construction jobs.. Delay reason is the rough sea conditions...

**Gum Deniz WO's.**

- GD 203 – Cleaned the wellbore till TD at 2538m by milling through permanent Hydraulic Packer and tail pipe, by drilling out cement plugs. Preparing the well for QUAD logging...
- GD 351 – Cleaned the wellbore till 2007.42m. Cemented lower damaged cased hole. Postponed jobs due to determined casing damage at above caused for connection between Production, intermediate and Conductor casings, additionally damages at perforated zones and existing fish in the hole. Will continue the task after recompletions at GD352.
- GD 479 – Clenaed the wellbore from sand plug to 2475.50m with bailing. POP at 1801.02m with GLV system.
- GD 445 – Cleaned wellbore till PBTD/BP at 2367.32m . POP at 2201.65m with GLV system.
- GD 038 – Clenaed the wellbore from sand plug to 2963.57m with bailing. POP at 1955.66m with GLV system.
- GD 058 – Preparing the cased hole for 4-1/2" liner casing-Executions are ongoing...

- GD 444 – Isolated upper zone from production by remedial cementing. Drilled out and PT the cased hole and cemented intervals down to PBTD at 2358.72m. Executions are ongoing...
- GD 005 – Cleaning the fish top from lose junks for possible fishing and milling actions. Executions are ongoing...

**Out of Field report.**

- Continue coordinating orders regarding equipment:
  - Power Swivel Unit – 1 sets.
  - Skid base Triplex Slurry Pump – 2 sets are being prepared bu IDS.
- Continued coordinating with “ADO-G” regarding redness of 28m special design Derrick for PL002 at tGum-Deniz field.
- Coordinated with “IDS” Company for 4<sup>th</sup> 120 tonners Drawworks, Pump Truck Tanks and new set of drum for QBQ120 tonner skid mounted Pulling Unit-Drawwork.
- 3<sup>rd</sup> 120 Tonner Drawwork set preparations were completed by IDS and was tested successfully. Loaded on board of Ullucay appointed to the well B177 fro upcoming recompletions.
- Prepared AFE’s for continued and upcoming ops.
- “ End of Wells” report has been prepared and submitted.
- Service company’s rental act, SGGI’s monthly operations act and contractor’s other services act were prepared with coordinating related groups and submitted accordingly.
- Implementing and executing repair and maintenances programs for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with the Procurement team.

**Monthly / Annual Workover Statistics**

| <b>Month</b> | <b>Workover &amp; Well Service Jobs completed</b> | <b>Number WO &amp; WS Success</b> |
|--------------|---|-----------------------------------|
| January      | 8   | 2                                 |
| February     | 9   | 3                                 |
| March        | 8   | 2                                 |
| April        | 16  | 8                                 |
| May          | 8   | 5                                 |
| June         | 12  | 6                                 |
| July         | 13  | 3                                 |
| August       | 14  | 7                                 |
| September    | 11  | 5                                 |
| <b>Total</b> | <b>99</b>   | <b>41</b>                         |

**Summary of Workover Activity**

| <b>Workover Operations</b> |                         |                |                    |                   |                   |
|----------------------------|-------------------------|----------------|--------------------|-------------------|-------------------|
| <b>Well</b>                | <b>Operation</b>        | <b>AFE #</b>   | <b>Actual Cost</b> | <b>AFE Amount</b> | <b>Difference</b> |
| BHR 074                    | Fishing / Re-completion | 40-2-074-02-21 | 343M \$            | 446M \$           | 103M \$           |
| BHR 190                    | Re-activation           | 40-2-190-01-22 | M \$               | 286M \$           | M \$              |
| BHR 167                    | Re-completion           | 40-2-167-01-22 | 75M \$             | 196M \$           | 121M \$           |
| GD 203                     | Re-completion           | 40-1-203-01-22 | 156M \$            | 146M \$           | -10M \$           |
| GD 351                     | Re-completion           | 40-1-351-01-22 | 31M \$             | 140M \$           | 109M \$           |
| GD 005                     | Fishing / Re-completion | 40-1-005-01-22 | 5.5M \$            | 127M \$           | 121.5M \$         |

**Summary of Well Service Activity**

| <b>Well Services</b> |  |                    |
|----------------------|--|--------------------|
| <b>Well</b>          | <b>Operation</b>                                     | <b>Actual Cost</b> |
| GD 058               | Well service / Damage zone isolation - Re-completion | 163M \$            |
| GD 038               | Well service   | 13.3M \$           |
| GD 445               | Well service   | 16.5M \$           |
| GD 479               | Well service   | 7M \$              |
| GD 444               | Well service / Isolation - Re-completion             | 33M \$             |

**V- SUBSURFACE:** Reported by Alamdar Useynov

**Workover Programs prepared**

- GD-038** POOH tubing with gaslift valves. Check TD with GGI. If the perforation zone is plugged, then run sand bailer to clean the sand up to TD, if doesn't work, wash the sand out with other tool. Perform injection 5m3 HCL acid solution into the current zone 2934-2940m in this well (Pump acid as fast as possible).
- GD-203** Run tubing string 4 2/1 NKB 1000m for perforation. Log GR/CCL. Perforate with 54mm guns at horizon 2514-2520m, 2482-2486m, 2475-2479m, 2465-2472m. Pull the tubing string out of the well. Run 1980 m 2 7/8" tubing with gas lift valves in the well according to complied and approved scheme. Put the well on production (1 st work plan).

3. **GD-203** POOH tubing string from 700m. Clean down till TD. Run tubing string 4 2/1 NKB 1000m. Log GR/CCL. Perforate with 54mm guns at horizon IX at 2514-2520m, 2482-2486m, 2475-2479m, and 2465-2472m. Pull the tubing string out of the well. Run 1980m 2 7/8" tubing with gas lift gas lift valves (2 nd work plan).
4. **GD-444** Clean down to 2351m. Run 1750 m 2 7/8' tubing with gaslift valves.
5. **GD-005** Fishout 968m in a hole string. Drill cement plug at 3438m, clean wellbore down to 3465m. Run GR/CCL/QUAD Neutron at 3456-2600m. Further operations will be planned according to QUAD Neutron results.

#### Wells logged/re-logged

**GD-479 PLT**  
**B-167 GR-LM**  
**B-074 GR-LM**  
**GD-203 GR-CCL**

#### Wells completed

1. **B-074 Fishing/Recompletion. Ongoing.** Perforated 3752-3747 m at horizon V. No flow. Actual cost is 868 M \$.
2. **B-190 Recompletion. Ongoing.** Expected natural gas rate is 70 Mm<sup>3</sup>/d from horizon X. Actual cost is 408 M \$.
3. **B-167 Recompletion. Ongoing.** Perforated 3655-3652m, 3646-3643m at horizon V. Actual cost is 157 M \$.
4. **GD-203 Re-completion. Ongoing.** Expected oil rate is 4 ton/d from horizon VIII. Actual cost is 158 M \$.
5. **GD-058 Well Service/Damage zone isolation. Ongoing.** Expected oil rate is 4 ton/d PK horizon. Actual cost is 163 M \$.
6. **GD-038 Well Service.** Cleaned sand plug. Well produces 10 ton/d oil, 85 ton/d water and 6.5 Mm<sup>3</sup>/d solution gas. Actual cost is 13.3 M \$.
7. **GD-444 Well Service/Isolation-Recompletion. Ongoing. Expected oil rate is 2 ton/d.** Actual cost is 33 M \$.
8. **GD-005 Fishing/Recompleting.** Actual cost is 5.5 M \$.
9. **GD-445 Well Service.** Actual cost is 16.5 M \$.
10. **GD-479 Well Service.** Actual cost is 7 M \$.

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

month.

**Interpreted logs from GGI:  
GD-479 PLT**

**Geology**

**Reservoir Engineering**

1. GumDeniz PK and KaS horizon simulation model history match in progress.
2. Balakhany IX, X and FS history match in progress.
3. Production forecasting update up to end of 2022 and for 2023.
4. 2023 AWP submitted to SOCAR.
5. WO Success file updated.
6. Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
7. Updated Bahar and GD OFGM database.
8. Updated Daily and monthly Production follow up database.

| <b><u>September 2022 Planned and Fact Production Comparison</u></b> |                  |                  |                 |
|---|------------------|------------------|-----------------|
|   | <b>Plan</b>      | <b>Fact</b>      | <b>Achieved</b> |
| <b>Oil and Condensate, tons</b>                                     | <b>3042.312</b>  | <b>1613.718</b>  | <b>53%</b>      |
| <b>Free Gas, Mm3</b>  | <b>27527.855</b> | <b>19664.302</b> | <b>71%</b>      |
| <b>Solution Gas, Mm3</b>  | <b>3647.359</b>  | <b>670.065</b>   | <b>18%</b>      |

**Seismic:**

1. **GD-447** sidetrack program: seismic review to identify drilling location, check-shot survey.

***VI- FINANCE: Reported by Rasul Gafarov***

**On a Monthly Base:**

Completed Aug-22 accounting cycle in accordance with the monthly schedule.

According to JOA issued Aug-22 Monthly reports to Contractor Parties.

According to JOA Sep – Oct-22 Cash Calls distributed to Contractor Parties.

Issued Aug-22 Additional Monthly reports to Contractor Parties.

Issued and distributed Aug-22 Monthly departmental cost reports to Budget Holders / Department Managers.

Issued and submitted following Aug-22 monthly as well as quarterly reports to government bodies: VAT, consolidated tax report on employment and statistical reports;

Prepared and submitted monthly Aug-22 Financial Highlights report to the Management.

## **VII- LEGAL PROCESS AND HUMAN RESOURCES: Reported by Ahmadiyya Musayev**

### **Legal, Compliance, Document Control & Translation issues**

- Contractual drafting and review work continued working on various contractual documents;
- Necessary legal analysis was carried out and information inquiry from the State Tax Service regarding service contracts was satisfied;
- SOCAR Upstream's request for registration documents of BEOC JAFZA and for "Info List" was addressed;
- Order was issued on transfer of boiler room to the balance of Electric Department and of chemical analysis laboratory to the balance of Process Automation Field;
- A cable theft case was reported to police authorities;
- Revisions were made to service contracts and model acceptance act;
- BEOC JAFZA Registration Renewal was implemented;
- Legal support was provided with respect to parent company debt restructuring issues;
- Circle of authorized signatories for goods and materials movements was verified and sent to security company;
- Preparatory activities were undertaken for forthcoming employment dispute at court;
- Coordination activities were conducted with SOCAR regarding Oilman Day award;
- Liaison activities with Surakhany Mayor's office and other government authorities, including security forces continued;
- Participation was ensured in Azerbaijan Ethics and Compliance Network sessions and activities;
- 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 related coordination and other activities were carried on;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

### **HR issues**

- Use of the outstanding vacations was monitored;
- Employment Agreements were signed with 2 new employees;
- Employment Agreements of 2 employees were terminated;
- To be expired contracts were followed up and management was updated;
- Overall 351 HR related operations have been made through this month;
- Organizational structures have been updated as per last changes;
- 133 vacations and 33 bulletins have been written and entered to the HRB system;





- Yasaman Guliyeva (Service Unit);
- On 27.09.2022, a quarterly report was sent to Surakhani district Civil Protection and Emergency Department;
- On 29.09.2022 sent a letter to the security company JSC "Tornado-Sh" about signatures and seals;
- The order of curtains for the offices of the administrative building is suspended - 27.08.2021 (10 rooms)
- Ordered new MR for Stationery 2023;
- 30 ea new seats for conference hall ordered, was prepared MR;
- Screens were uploaded with necessary content;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out, inspection of the rooms and offices, supervising the cleanliness and tidiness of the offices, rooms and around the main office was performed;
- Water transportation is controlled at the water distribution point;
- Greenery is maintained by a gardener;
- Canteen's activity was supervised
- Ordered new MR for Stationery 2023.
- 30 ea new seats for conference hall ordered, was prepared MR.
- Nursing:
- 62 BEOCL employees applied to First Aid Room with non-work-related diseases during the reported period. All of them were rendered corresponding examination and treatment.

### **Security& Civil Defense activities**

- 306 one-time permissions were issued for 376 person and 243 vehicles entered to Representative Office premises based on the requests received;
- Records in the log book of 775 employees who left for Bahar Field (working per shift) were maintained and their availability at work was checked during the current month;
- Deployment of employees (working on shifts) to Bahar Field on vessels was accompanied on **02,03,04,13,16,17,20,26,27** days of current month by the Department's rescue-diver personnel;
- According to terms of the contract 8 letters were sent to Avtandil Aqayarov, the Chief of "Tornado-S " LTD, in order to get permission certificates for 272 employees and 94 special vehicles to be able to enter the Representative Office area;
- T-cards control was carried out per the established procedure.
- Civil defense related activities continued per the approved plan.

### **Information Technologies**

- Within September 2022 there was no disruption in IT dept;
- 105 helpdesk requests were processed;
- Installed GOC servers in the BEOCL office;
- Replaced old printer in the 2nd floor with new one;
- Installed printer in Qum Deniz checkpoint office;
- Fixed 2 failed computers;
- Replaced failed printer in Finance department;
- Received and checked equipment of resigned personnel;

- The televisions in the lobby were set to broadcast Bloomberg Live;
- Replaced UPS batteries in CCTV room;  
Replaced failed printer in Compressor Station office;  
All empty cartridges were replaced;  
All printers have been checked;  
All servers checked and backed up.

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

**Procurement Department:**

- 93 MRs & SRs Received;
- 105 POs and SOs prepared in SUN System;
- 3 MR canceled/on hold;
- 31 MRs & SRs passed to Contract/Tender;
- 22 MRs & SRs under sourcing stage.

**Tendered Contracts on hold – 1**

- BEOCL 10178 Construction of Seaport

**Number of Valid Contracts**

- OPS – 39 (including 8 services contracts);
- WO/LOG – 57 (including 40 services contracts & 1 consultancy contract);
- Construction – 62 (including 28 service contracts);
- HSE – 23 (including 1 service contract for empl.);
- G&G – 12 (including 3 consultancy contracts);
- ADMIN – 17 (including 2 service contracts for empl.)
- HR – 5;
- ITC – 14;
- Legal – 17;
- Finance – 3;
- Procurement-16;
- Logistics – 74 (including 14 service contract for bus drivers; 24 – compulsory insurance; 1-minibus driver; 1 vacuum truck driver; 4 pickup driver) ;
- WH – 3 (including 2 service contracts)

Number of addendums/extensions – 10

Termination of agreements - 16

Recommendation to prolongation contracts-0

**Materials and Handling Department:**

- **2,074,073.00 kg** handled without incident;
- Handling division received 132 materials transfer request
- WHS received **114 PO's, 503 line items** for the amount of **AZN 1,043,493.87**;
- WHS issued **521** line items for the amount of **AZN 491,610.49**;
- **128** NCR's raised; **35** NCR's was closed;
- Fuel station received **34,196.00** Liter of Diesel;
- Fuel station issued **21,016.00** Liters of Diesel;
- Fuel balance at October 1, 2022, is **67,584.00** Liters.

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