

BAHAR ENERGY OPERATING COMPANY
MONTHLY REPORT

January 2020

Contents

EXECUTIVE SUMMARY:.....	2
I - HEALTH, SAFETY & ENVIRONMENT:	3
II - PRODUCTION / OPERATIONS:.....	4
III – CONSTRUCTION:	11
IV – SUBSURFACE:	13
V - FINANCE:.....	15
VI – LEGAL PROCESSAND HUMAN RESOURCES:.....	16
VII– ADMINISTRATION & SECURITY:.....	17
VIII – PROCUREMENT & MATERIALS:	17
IX – IT:.....	19

EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during January 2020 is below:

a) Health Safety and Environment:

- December was again a positive HSE month for BEOC as there were no LTIs, TRIR remained at zero, and there were no reportable spills. This performance was commendable as 94 permits to work were issued, and 313 STOP cards were submitted.

b) Production:

- Oil production was 693 Bopd, an increase of 30 Bopd from December. The increase was due to GD 414 well, which more than offset the continued natural field decline.
- Gas production was 17.8 MMcfd, which flat with December. The primary contributor to the production level has been the tubing failure in BH 144 well. The return to production of the BH 144 has been delayed for construction repairs on four piles before starting the workover.
- BEOC also delivered 0.4 MMcfd of Solution gas to SOCAR while only utilizing 1.1 MMcfd for fuel gas in Gum Deniz operations

c) Workovers:

- In Gum Deniz, eleven workovers and well service jobs were completed, of which two wells were prepared for water injection and six jobs were successful. Workover in South GD on the GD 414 well completed, and the ESP was installed, while the workover on GD 415 was unsuccessful due to casing damage. In Bahar, workovers continued in the BH 167 and 134 wells, with initial results not positive.

d) Construction:

- Major platform refurbishments are ongoing by Construction in Bahar field at Platform's 168, 136, 175, 48 and GZU 3. Construction of the GD Platform 209a high-pressure injection system in progress to support the pilot waterflood in the crestal area of the Gum Deniz field.

e) Subsurface

- Plans are underway to test the NKP gas potential in the B 134 well on PLTM 136, to be followed by BH 78 and BH 77 wells. Success on these recompletions will continue to de-risk the potential NKP drilling program going forward.
- Simulations are being prepared for the Gum Deniz waterflood pilot areas in horizons VIII and X. Preliminary results indicate the potential to demonstrate waterflood performance in these discrete blocks. Operations and Construction teams have started pilot injection in Area "A" (from GD PLTM 450).

f) General Management

- BEOC was able to utilize the Shiklinsky crane vessel and undertake works at the GD platform 412, platform 83/162, and platform 70/106.
- Delayed revenues from gas sales have complicated the payments to longterm vendors and have impacted the execution of the 2020 business plan.

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

a) Summary: HSE:

- No incidents were recorded in January;
- TRIR is 0 by the end of January.

b) Monthly Safety statistics for January 2020

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	133831	0	0	94
Total	0	133831	0	0	94

Legend:

- LTI: Lost Time Incident
- Man Hours: Total number of man-hours worked
- TRIR: Total Recordable Incident Rate(Number of Injuries and Occupational Illness X 200,000 / Employee hours worked)
- Near Miss: Near Miss Incidents number
- PTW: Permit to work

c) High-Level HSE Comments: No incident was recorded during this month..

d) HSE Activity

- HEALTH:

- 81 BEOCL employees applied to the First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.
- 704 times drivers passed through a daily medical examination before work commencement.
- Treatment with insecticide, rodenticide and disinfectant of about 1300 m2 was provided at the worksites, workshops and administrative office buildings.

- SAFETY:

- General HSE induction was conducted for 13 newcomers/ visitors.
- 26 Safety inspections of BEOCL sites and work performance were carried out.
- 313 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.
- The 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	N/A	N/A	N/A
Total	0	0	0

- The waste segregation process was supervised by the HSE division.
- BEOCL sewage water was disposed of through 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 BEOCL worksites in the following themes:

- “General safety rules” for 46 employees
- “Safety rules for marine transportation of workforce” for 36 employees,
- “First aid for injured person” for 20 employees.
- “Safe evacuation tactics” for 21 employees,

The total participants were 123 workers.

II - PRODUCTION / OPERATIONS: *Reported by Dale McFadden*

a) 2019 Production is shown below:

OIL and GAS Production 2020 Budget and Actual																			
Jan-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	117	868	503,369	17,776,476	2,963	493,553	17,429,824	2,905	635,769	22,452,169	4,039	3,656	4,907	
February						122	900							663,522	23,432,297	4,215			
March						127	937							650,252	22,963,651	4,131			
Q1 Average						122	902							649,848	22,949,372	4,128			
April						137	1,012							679,247	23,987,608	4,315			
May						130	963							665,662	23,507,856	4,229			
June						140	1,039							652,349	23,037,699	4,144			
Q2 Average						136	1,005							665,753	23,511,054	4,229			
July						138	1,023							640,932	22,634,506	4,072			
August						142	1,048							628,936	22,210,887	3,995			
September						145	1,070							667,181	23,561,491	4,238			
Q3 Average						141	1,047							645,683	22,802,295	4,102			
October						142	1,054							704,660	24,885,082	4,477			
November						144	1,064							769,390	27,171,022	4,888			
December						142	1,048							754,826	26,656,673	4,795			
Q4 Average						143	1,056							742,959	26,237,592	4,720			

b) Production – Gum Deniz

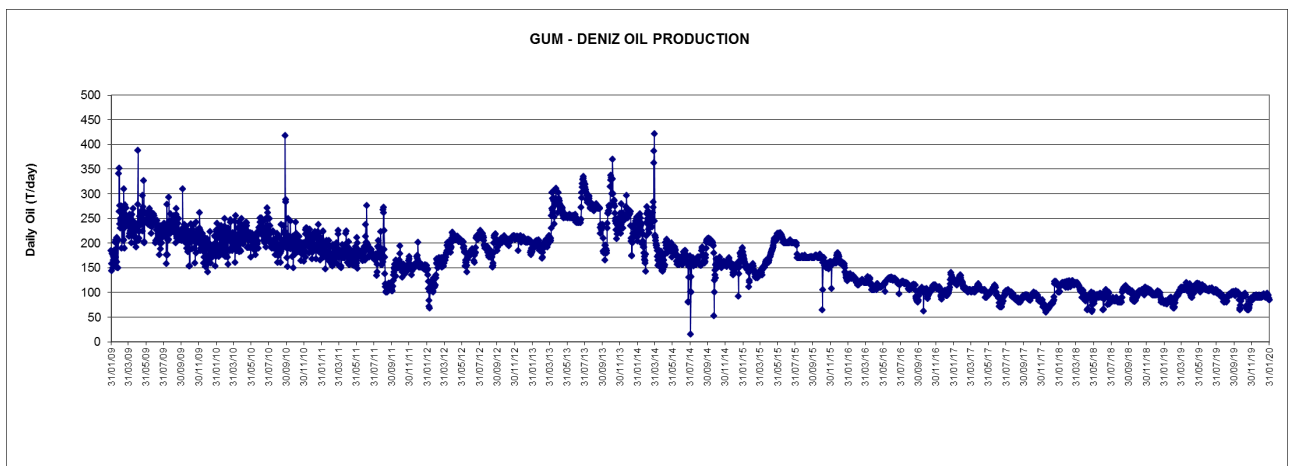
- Gum-Deniz oil shipping rate averaged 93 tons/day;
- Average oil shipment was 686 Bopd;
- During the report covering period we have delivered 39,861 m3 solution gas to SOCAR. 977,000 m3 of fuel gas was utilized.

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

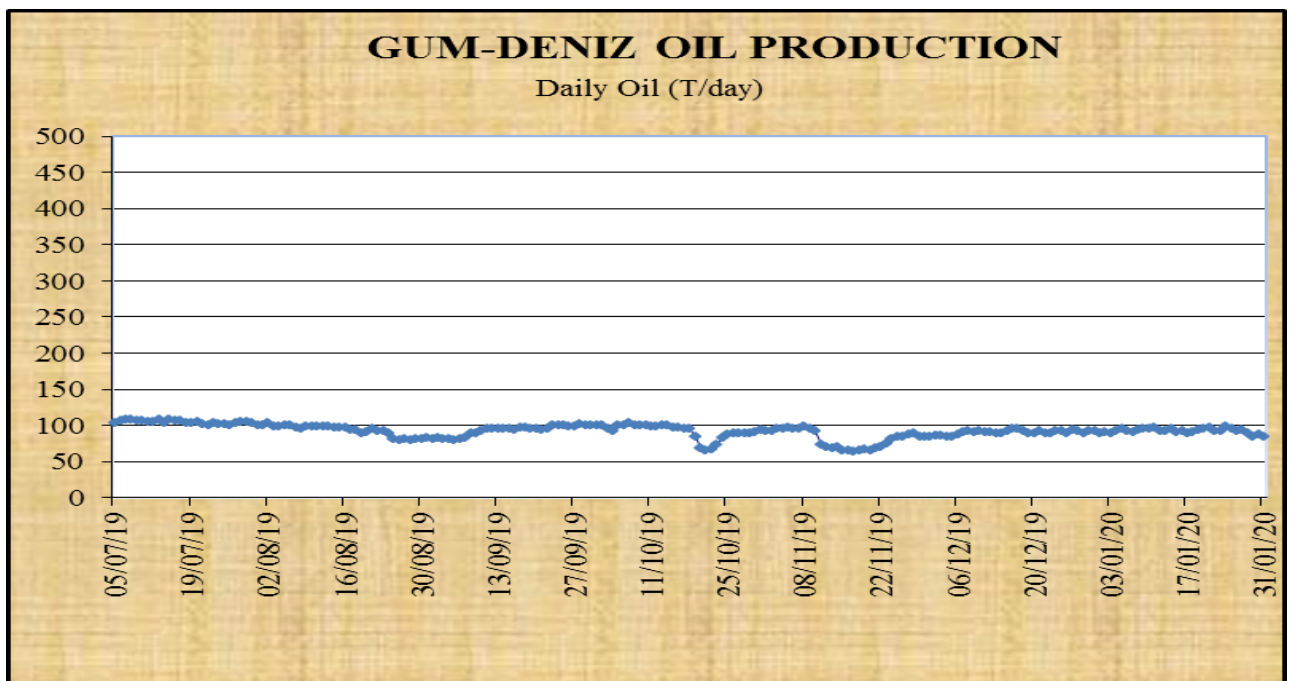
Oil Production Rate Differences Between December 2019 and January 2020																																	
Date / Well#	006	009	020	038	372	412	413	414	417	418	430	444	445	447	461	464	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3	
December 2019	1.9	2.0	1.6	4.1	22.6	3.7	4.3	2.5	5.8	5.1	5.8	0.0	0.0	3.7	3.0	0.7	4.4	1.1	3.7	1.2	2.3	5.7	7.0	4.3	4.0	7.8	2.0	2.2	8.8	4.8	2.0	128	
January 2020	2.0	2.0	1.6	2.0	23.5	3.7	4.4	9.8	5.5	5.0	6.5	3.8	2.9	3.9	2.0	0.0	4.5	1.1	0.8	1.2	2.1	4.3	7.0	4.4	2.8	7.7	2.0	2.1	9.2	2.5	2.0	132	
																																Difference	4

- GD-476 WOs were carried out and the well was ready-made for water injection purposes.
- GD-520 WOs were carried out and the well was ready-made for water injection purposes.
- GD-454 well was handed over to WO division and 500m3 capacity ESP was replaced with 160 m3 capacity ESP.
- GD-467 WOs were carried out and currently waiting for delivery of Gas Lift Valves to POP well via GLV method.
- GD-468 WOs were carried out and currently waiting for delivery of Gas Lift Valves to POP well via GLV method.
- GD-445 WOs were carried out and well was POP via GLV method.
- GD-038 WOs were completed and well was POP via GLV method.
- GD-415 WOs are currently ongoing.

c) Year to Date Production: Gum Deniz



d) Oil Production for Last Six Months



e) Production – Bahar

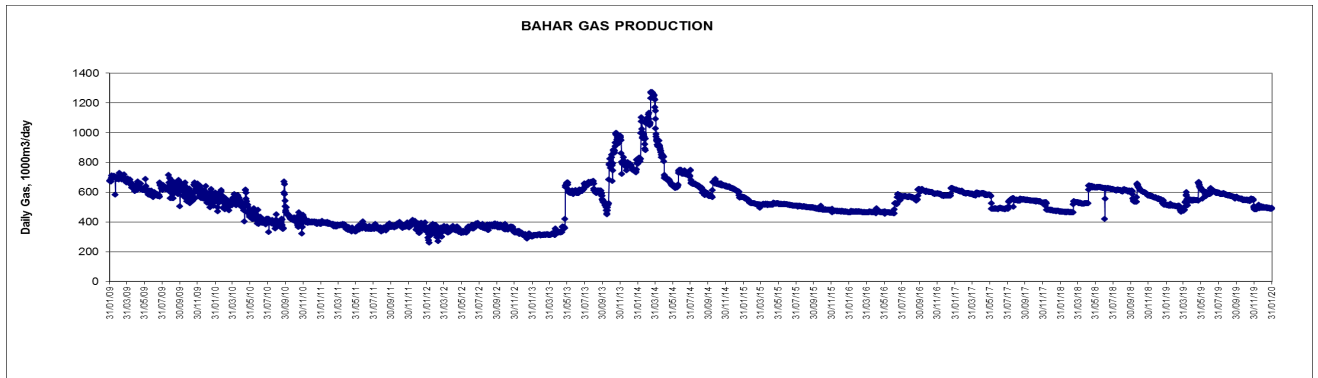
- Bahar daily gas delivery realized as an average of 503 369 m3/day
- Gas delivery was 17.8MMcfd

The chart below shows the reasons for gas delivery decrease:

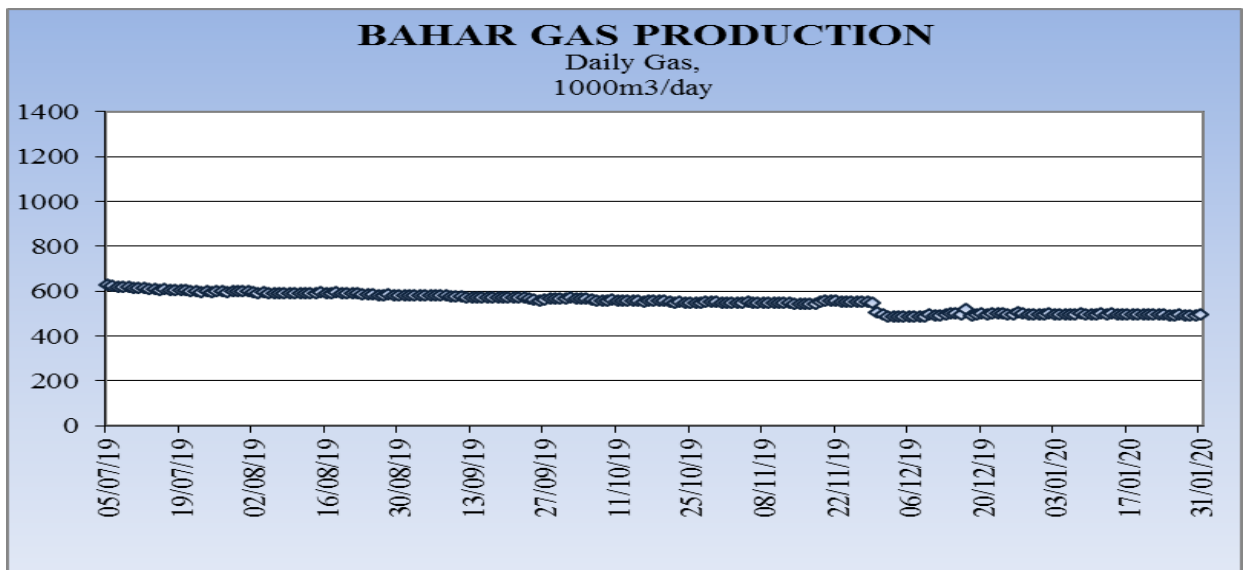
Gas Production Rate Differences Between December 2019 and January 2020										
Date / Well#	083	140	170	171	175	179	182	205	241	Total, m3
December 2019	37.0	55.0	130.0	46.0	78.0	75.0	3.0	31.0	54.0	509.0
January2020	37.0	54.0	129.0	46.0	78.0	75.0	0.0	30.0	52.0	501.0
Difference										-8.0

- WOs were completed in B167 wells at PLT168 of the “Bahar” field, well was POP but SI and handed back to WO division due to not having any production.
- WOs were completed in B134 well at PLT136 of Bahar Field but could not get any production from the well.
- “Refurbishments are ongoing by “Construction Department” at PLT168, PLT136, PLT175, PLT48, and GZU#2 in the Bahar field.

f) Year to Date Production: Bahar



g) Gas Production for Last Six Months:



h) Additional Production Works:

- Works are ongoing by Construction Team for 16” production line support system along the causeway in Gum-Deniz field.
- Construction of “Closed Loop System” project stipulated to prevent pollution of the environment through discharge of formation water from technological storage reservoirs located at Oil Processing Unit is ongoing by the “Construction Department”.
- Relocation of injection gas distribution system and installation of measuring point at well#5 located at the GD470 area in the Gum-Deniz field area is ongoing by Construction Team.
- Line connection works of 20” production line considered between OGSU#1 of Compressor Stations, Gas Collection, Processing and Delivery Unit and Oil Processing Unit are currently ongoing.
- Repair of 20” production line from security post #1 in Gum-Deniz field to Gas Compressors, Gas Collection, Processing and the Delivery Unit process is currently ongoing by the “Construction Department”.
- In regard to the removal of Gas Distribution Point at causeway connected PLT450 “Construction Department” initiated installation of 3 ea of 2.5” gas lift lines from causeway connect PLT009 to PLT450 in Gum-Deniz Field with the support of WO division.

(January 2020)	
Name of the operation	Completed Operations
Hot Light Oil Operation in wells	6
Fluid level survey	79 (10 wells)
Sulfanol treatment in wells	-
Salinity measurement in wells	95
Soap stick application in gas wells	-

i) Transportation Division:

Auto-Transportation Field Report for January 2020								
Description	Number	Works Hours	Moto Hours	Repair Hours	Driven Destination	Amount of Works Carried Out		
						Number of Vehicles / hourly	Number of Vehicles / monthly	Number of Vehicles / daily
TRF								
Pulling Units serving for WO	9	1152.5	1152.5	91				
Drawwork (QBQ-120)	1	51.5	51.5	2				
Stationary Type Pump (V-12)	1							
Stationary Type Pump (V-16)	2	334	334	7				
Mobile Hot Oiler Truck (Consisting of two parts)	1	5.5	5.5					
Cement Trucks serving for all BEOC departments	11	900	260.5	101	12			
Water Tank Trucks of Auto-Transportation Workshop	3	520	47.5	24	3202			
Other vehicles of Auto-Transportation field	7	512	53.5	27	957.5			
Number of Trucks put back into service after a long term repair works								
Rented Heavy/Civil Plant trucks						15/141,5	9/monthly	11/11
Rented light vehicles							22/monthly	

Auto-Transportation field Logistic Report for Lifting Operations for January 2020			
01.01.2020 - 31.01.2020			
Months	Orders	Weight (kg)	Hours
General	<u>Total: 87</u>	<u>Total: 481000</u>	<u>Total: 194</u>

Marine Transportation Report for January 2020

Marine Transportation Report for January 2020								
NAMEs of VESSELS	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	12 days			544,332 kg	NO		TOTAL-31	TOTAL-14
MAGIC-1	14 days	502	501		NO			
SHIKHLINSKIY	2 days			264,000 kg	NO			
XAZAR-3	2 days			298,000 kg water	NO			
SLV-363	2 days			136,784 liter diesel fuel	NO			

- ❖ Works carried out by "Shikhliniski" crane vessel during the report covering period:
Vessel sailed to SGD PLT412 and grabbed onto its board 28 derrick, then moved to PLT83/162 in Bahar Field took 4 ea panels then sailed to PLT48 and unloaded 4 ea of panels from its board to there, and placed 28m derick over the well B144. Afterwards vessel carried out location replacement for 2 ea of 8 x10m panels at PLT70/106 in Bahar Field.

j) Power usage and charges chart:

POWER/ELECTRICITY COST by MONTHS - 2020				
ACTIVE ENERGY	Kwatt			
LOCATION	January	February	March	TOTAL
GumDeniz - Field	900,000			900,000
Compressor station 14	260,000			260,000
Compressor station 1	356,000			356,000
Compressor station 2	530,000			530,000
Automotization Industrial Processes	7,200			7,200
Electric workshop	7,500			7,500
Oil Process	80,000			80,000
5000 area	152,000			152,000
Gas Process	8,662			8,662
Workover	43,324			43,324
Offices	83,700			83,700
Transportation	42,032			42,032
Laboratory	23,015			23,015
Construction	12,102			12,102
Water supply	167			167
TOTAL -kW	2,505,702			2,505,702
0.076271187				
COST AZN total	191,113	0	0	191,113
REACTIVE ENERGY kVAR				
AZN/KVAR 0.00104				
kVAR				

k) Workovers:

Bahar WO's:

- BHR 167 – The well was perforated at Hor. VII: 3917-3914m, 3910-3905m, 3850-3848m, 3847-3845m, 3842-3840m intervals with TCP BHA. Didn't flow. Decision has been made to go uphole. Couldn't release the packer. Latched off from on/off tool, pulled.

- Made cement bridge plug from 3771 m to 3757 m. RIH w/TCP/packer BHA, Packer set at 3727m. Perforated well at 3730 - 3733 m interval w/86mm TCP. Hor. VI. No flow.
- BHR 134 – Due to active casing collapse at 2791 m decision been made to stop the operation and release the SDT crew and equipment.

South Gum Deniz WO's:

- GD 415 – All attempts to clean down the wellbore down from 3771 m were unsuccessful. Well operation deferred, crew released.

Gum-Deniz WO's:

- GD 445 – Re-completion has done, well perforated at the intervals 2329-2347m. Production string w/GLV landed at 2202m. POP.
- GD 438 – Skidded derrick from GD 445. The bridge plug was set at 2365m. Outer String RIH and Packer set at 2322m. Inner string 1042 m RIH. POP.
- GD 520 – Derrick skidded from GD 438. 2 sets of left in a hole 86mm Gun BHA were pushed down to TD at 2482m. Casing scraper to 2379m. BP set at 2360m and put 2.6m cement via cement bailer. Injection string was RIH. Packer set at 2323.35m. Ready for injection. Will skid the derrick onto the G448 canister well.

GUM-Deniz WS and Optimization:

- GD 038 – RU UPA-80. POOH. RIH w/ 93mm STC, tagged at 2906.23m. Cleaned PBDT at 2958.34m. 93mm Re-entry guide at 1800.64m. POP Pulled ESP Assy. Wellbore cleaned down to 2958m. RIH w/GLV Production string landed at 1800m. POP.
- GD 467 – Pulled ESP Assy. Wellbore cleaned down to 3385m. Will RIH w/GLV Production string and POP. Pending Gas Lift Mandrels.
- GD 468 – Pulled ESP Assy. Wellbore cleaned down to 3408.40m. Will RIH w/GLV Production string and POP. Will RIH w/GLV Production string and POP.

Gum-Deniz Water Flood Injection Project

- GD 454 – High volume ESP was replaced by low volume ESP.

Out of Field:

- Released service and purchases and Service request for various type WO Downhole/handling equipment as per the 2019 / 2020 WO operations plan. Continue to cooperate with Procurement in this regard.
- Cooperate with the HSE Dep. In regard the improvement of safety culture within WO Dep. Actively continues. Proceeding of Risk Assessments and work permits for ea. Well and workshop jobs. Conducted safety meetings by Workover Senior foreman's and foremen w/ employees in regard to work plans, risk assessments, and work permits.

- Monthly / Annual Workover Statistics

<i>Month</i>	<i>Workover & Well Service Jobs completed</i>	<i>Number WO & WS Success</i>
January	11	6
<i>Total</i>	<i>11</i>	<i>6</i>

- **Summary of Workover Activity**

<i>Workover Operations</i>					
<i>Well</i>	<i>Operation</i>	<i>AFE #</i>	<i>Actual Cost</i>	<i>AFE Amount</i>	<i>Difference</i>
BHR 167	Fishing / Recompletion	40-2-167-01-19	151M \$	406M \$	255M \$
BHR 134	Fishing / Recompletion	40-2-134-01-19	320M \$	543M \$	223M \$
GD 445	Recompletion / Water Flood Injection Project	40-1-445-02-19	93M \$	45M \$	-48M \$

Summary of Well Service Activity

<i>Well Services</i>		
<i>Well</i>	<i>Operation</i>	<i>Actual Cost</i>
GD 415	Re-completion / Optimization	93M \$
GD 467	Well Service	15M \$
GD 468	Well Service	11M \$
GD 038	Well Service	48M \$
GD 520	Water Flood Injection Project	93M \$
GD 476	Water Flood Injection Project	40M \$
GD 438	Water Flood Injection Project	19M \$
GD 454	ESP Replace	4M \$

III – CONSTRUCTION: *Reported by Zaur Najafzade*

a) Report by Budget Line Item

- **C1.1 – BH Plt No 9 WO Upgrade (B-129)**

Prepared initial work plan and a final list of required materials for the start of construction works based on Company 2020 Budget.

- **C1.2 – BH Plt No 136 WO Upgrades (B-135, B-137)**

Upgrade of the B-137 well bay area and repair of the substructure piles in Progress. Fabrication of the access stairs for newly installed boat landing on the west side of the accommodation unit ongoing.

- **C1.3 – BH Plt 168 WO Upgrade (B-172, B-169, B-167)**

Upgrade of the B-167, B-169 and B-172 well bay areas have been completed. Upgrade of the B-165 well bay area in progress. WOF and crane vessel support to deliver construction materials to the platform.

- **C1.4 – GD causeway piling works**

Connection of previously hammered piles to the existing system and upgrade of secondary steels in progress. Repair of the causeway deck section between the Gd Plt's 232 and 16.

- **C1.5 – GD Plt 250 Upgrade (GD 392/250/521)**
Project not yet started
- **C1.6 – CS 2 fluid cooling system renovation**
Project research has been started.
- **C1.7 – CS 2 gas separator system renovation**
Project research has been started.
- **C1.8 – New 16” line (800m) from GNAS 1 to CS 2**
Project not yet started
- **C1.9 – GD Plt 209 Upgrade of separator system deck area**
Raised material request to procure construction materials.
- **C1.10 – GNAS 2 Upgrade of separation system**
Project research has been started.
- **C1.11 – Replacing of GD PLT 9 substation # 13 (PQ-13)**
Under preparation process.
- **C1.12 – Undersea pipeline (2km) for Water Disposal Project**
Project not yet started
- **C1.13 - Construction of alternative Bahar Gas Transfer Line**
Project not yet started

b) Additional Works

- GZU-3 platform upgrade works - Strengthening of the platform crossing bridge and repair of the south side deck section ongoing. Works are being done to cut down the elements of useless steel structures. Preparation to the installation of the second boat landing on the north - east side of the platform ongoing. Fabrication of the new 10x10 meter steel panel on the south side of the platform has been completed. Start preparation works for the fabrication of the new 10x10 meter steel panel #5 on the platform. Fabrication of the GZU-3 new collector spools in the island construction fabrication shop ongoing. WOF and crane vessel support to deliver construction materials to the platform;
- Construction works in progress;
- Construction of the GD Plt 209a high pressure injection system in progress;
- BH Plt 48 B-144 WO upgrade - Preparation of the B-144 for WO operations ongoing. Installation of the safe access way around the working areas in progress. Substructure piles upgrade works in progress;.
- Assembly (fabrication and welding works) of shelves in the main hangar # 1;
- Repair of the machine#2, 4 & #7 concrete the base's in the CS#14;
- Installation of pipelines for machine No.2 & 4 in the CS# 14;
- Preparation of farms for installation of roofing in block "C" of the administrative building;
- Upgrade of the tank#3 pipe connection systems on the 2000m3 tank farm area;
- Installation of the safety valve on the 2,5" line in the CS#1;
- Repair of the leakage on the Gd Plt 209a 4" gas lift line;

- Laying of the 6 "line pipes for connecting Tank 6th to the drainage system in the tank farm area;
- Installation of the cable grooves on the GD causeway.

c) Safety

During the month, 4 construction safety seminars were held on the following topic:

- "Safety measures during transportation and evacuation of the working personal" on 08.01.2020
- "Safety measures during transportation and downloading of the long size goods" on 15.01.2020
- "Safety measures during installation and repair of pumps and electric motors at gas compressor stations" - on 22.01.2020
- "Application of the fire safety rules" - on 29.01.2020

IV – SUBSURFACE: *Reported by Ray Larjani*

Workover Programs prepared

- B-144 Replace tubing string with new one;
- B-167 Perforate VI horizon 3733-3730m interval;
- GD-468 Replace ESP with gas lift;
- GD-467 Replace ESP with gas lift;
- GD-520 RIH scraper and clean down to 2360m, set BP at 2360 m and set cement plug. RIH tubing 2317m;
- GD-438 Set BP at 2360. Set mapset packer at 2325m. RIH production string with gas lift valves;
- GD-468 Replace ESP with gas lift.

Wells completed

- B-167 Recompletion. Perforated horizon VII 3917-3914m, 3910-3905m, 3850-3848m, 3847-3845m, and 3842-3840 m and horizon VI 3730-3730m. No flow. Actual cost \$151M;
- B-134 Fishing/Recompletion. Due to active casing collapse at 2791 m decision been made to stop the operation and release the SDT crew and equipment. Actual cost \$320M;
- GD-445 Recompletion/Water Injection Project. Perforated horizon VIII upper 2329 – 2347m intervals. Production string w/GLV landed at 2202m. Well produces with 5 ton/d oil and 1.5 ton/d water rate. Actual cost \$ 93M;
- GD-415 Recompletion/Optimization. Unsuccessful due to casing damage at 3771 m. Actual cost \$ 93M;
- GD-438 The bridge plug was set at 2365m. Outer String RIH and Packer set at 2322m. Inner string 1042 m RIH. No flow. Actual cost \$ 19M;
- GD-467 Well service. Wellbore cleaned down to 3385m. Will RIH w/GLV Production string. Pending Gas Lift Mandrels. Actual cost \$ 15M;
- GD-476 Water Flood Injection Project. Actual cost \$ 40M;

- GD-468 Well Service. The plan is to replace ESP with gas lift valves. Pending GLV. Actual cost \$11M;
- GD-454 High volume ESP was replaced to low volume ESP. Actual cost \$ 4M.
- GD-038 Well Service. Cleaned PBTD at 2958.34m. Pulled ESP. Well bore cleaned down to 2958m. RIH w/GLV Production string. Well produces with 3 ton/d oil and 155 ton/d water rate. Actual cost \$ 48M;
- GD-520 Water Flood Injection Project. Scraped down to 2379m, BP set at 2360m and put 2.6m cement via cement bailer. Injection string was RIH. Packer set at 2323.35m. Ready for injection. Actual cost \$ 93M.

a) Reservoir Engineering

- Prepared B-144 WID document;
- Prepared B-167 WID document;
- GD VIII horizon central area simulation model;
- 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 Production follows up file and Bahar general database.

b) Seismic

- GD PK horizon detailed fault interpretation near island area using old pstm seismic data ongoing;
- GD BX horizon fault analysis, mapping and attribute calculation near P22 based on pstm seismic data ongoing.

c) Task Scheduler

No.	Tasks started	Start date	Provisional completion date	Completion date
GD Field				
1	GD NKP Simulation and Forecast	22 February 2020	30 March 2020	
2	GD BX horizon fault analysis, mapping and attribute calculation near P22 based on pstm seismic data	15 December 2019	20 February 2020	
3	GD PK horizon detailed fault interpretation near island area using old pstm seismic data	8 January 2020	25 February 2020	
Completed				
1	QA/QC of BX-FS GD central area (well and reservoir data)	1 February 2019		1 April 2019
2	Update BX-FS geomodel in Central GD by using Jewel Suite software (new faults structure and vertical sealing barriers)	5 February 2019		19 February 2019
3	GD BX Formation Tops and Units correlation, Structure and Thickness Maps	5 February 2019		28 February 2019
4	Initialization of Central GD BX-FS model	4 March 2019		6 March 2019
5	Peripheral water injection scenarios with platform upgrades in Central GD	21 December 2018		15 January 2019
6	GD-716 well performance study by using production history, PLT, and PBU for the different perf histories	1 December 2018		20 January 2019
7	Assessment of injected water in reservoir PV in Central GD	21 December 2018		5 January 2019
8	GD BX horizon fault map update based on latest seismic interpretation	10 January 2019		20 February 2019
9	GD NKP horizon interpretation and mapping	25 February 2019		19 March 2019
10	Bahar Horizons IX, X and FS Formation Tops and Units correlation, Structure and Thickness Maps	4 March 2019		15 March 2019
11	GD BV-BVIII main fault tracing and horizon interpretation	1 April 2019		15 May 2019
12	GD NKP Geomodelling	27 March 2019		11 April 2019
13	Bahar, BIX horizon, B-140 Well Test Measurements for PTA Analysis	12 April 2019		21 April 2019
14	Prepare Well Test design for GD-297 and GD-463	23 April 2019		25 April 2019
15	Preparation of well production & pressures for rerun of FS-BX model in Central GD	10 February 2019		20 April 2019
16	GD BVII & BVIII - Formation Tops and Units correlation, Structure and Thickness Maps	10 April 2019		8 May 2019
17	GD BX & SP Geological Modelling	25 March 2019		10 April 2019
18	Bahar BIX-BX-FS Geomodelling	20 April 2019		1 May 2019
19	GD BX Mbal	26 May 2019		29 May 2019
20	GD PK horizon and fault interpretation, attribute mapping	20 March 2019		15 June 2019
21	Run HM for BX-FS model in Central GD	25 April 2019		20 May 2019
22	Run well by well HM for BX-FS model in Central GD	20 May 2019		1 June 2019
23	GD FS Mat. Balance	7 June 2019		7 June 2019
24	GD NKP Fluid Modeling (P90/P50/P10 volumes)	10 May 2019		1 June 2019
25	GD NKP - Formation Tops and Units correlation, Structure and Thickness Maps	21 April 2019		20 June 2019
26	Bahar NKP Geomodelling	20 June 2019		30 June 2019
27	2019-2035 Production Forecast	1 June 2019		3 June 2019
28	GD KaS suite top and Base horizons correlation and mapping in Kindom Suite	15 May 2019		30 July 2019
29	Bahar Field Reserve Evaluation for horizon V, VI, VII, VIII, IX, X, NKP with Material Balance method.	1 July 2019		2 July 2019
30	Run Well by well History Match for BX-FS model in Central GD	15 June 2019		15 July 2019
31	Gum Deniz Area A Water flood performance using B-L	22 July 2019		23 July 2019
32	GD KaS, PK suite top and Base faults interpretation in Kingdom Suite	15 July 2019		31 August 2019
33	Preparation of Injection Plan for GD-543&GD-476	1 August 2019		7 August 2019
34	Prediction for BX-Fs (Base case and Waterflood)	1 August 2019		31 August 2019
35	GD horizon IX formation tops correlation, Structure and Thickness Maps	20 August 2019		15 September 2019
36	GD horizon IX and X Geological model	15 September 2019		30 September 2019
37	Production Data Preparation for BIX-Bxup simulation	25 September 2019		30 September 2019
38	Bahar for NKP horizon producers BHP calculation	15 October 2019		20 October 2019
39	Bahar NKP wells VFP model buiding	21 October 2019		30 October 2019
40	GD BIX-Bxup (NW) geological model conversion to Simulation model by using Tnav (Model Designer)	1 October 2019		15 October 2019
41	Preparation of PLT and Welltest data for the interpretation (GD-543)	30 October 2019		5 October 2019
42	GD south BX Seismic interpretation and mapping	15 September 2019		20 October 2019
43	GD south BX geological model	10 October 2019		20 October 2019
44	North and central Gum Deniz BX fault model update based on previous PSTM seismic data	30 October 2019		25 November 2019
45	Well test interpretation (GD-543)	5 November 2019		10 November 2019
46	Preparation of PLT and Welltest data for the interpretation (GD-476)	7 November 2019		10 November 2019
47	PLT and Well test interpretation (GD-476)	10 November 2019		15 November 2019
78	Bahar NKP Horizon Simulation Model Initialization, History Matching, Production forecast for WO candidates	10 July 2019		20 November 2019
79	Gum Deniz Horizon VIII shale barriers correlation.	20 November 2019		25 December 2019
80	GD VIII Horizon Central Area Geological and Simulation Modelling for WI Project	15 November 2019		25 December 2019
81	Bahar BVI horizon faulting review based on 2D scaled seismic data	1 December 2019		10 December 2019
82	GumDeniz GD-466 PBU test interpretation	17 December 2019		19 December 2019
83	GD FLD horizon interpretation based on previous pstm seismic data	5 December 2019		30 December 2019
84	GD BIX-Bxup (NW) sector simulation (HM) within well test results (GD-543 and GD-476)	15 October 2019		15 December 2019
85	GD BIX-Bxup (NW) sector simulation (Waterflooding Prediction)	16 December 2019		20 December 2019
Bahar Field				
1	Bahar FS-BX-BIX Geomodelling, Simulation & WO Candidates Forecast	12 May 2019	22 February 2020	
2	Bahar NKP Horizon Full Simulation Model	7 January 2020	6 February 2020	

V - FINANCE: Reported by Rasul Gafarov

a) On a Monthly Base:

- Completed the Dec-19 accounting cycle in accordance with the monthly schedule;
- According to JOA issued Dec-19 Monthly reports to Contractor Parties;
- According to JOA Dec - 19- Jan - 20 Cash Calls distributed to Contractor Parties.
- Issued Jan-19 Additional Monthly reports to Contractor Parties;
- Issued and distributed Dec-19 Monthly departmental cost reports to Budget Holders / Department Managers;
- Issued and submitted Dec-19 monthly reports to government bodies, including but not limited;
- Prepared and submitted monthly Dec-19 Financial Highlights report to the Management.

b) Quarterly:

Issued and submitted 4Q-19 quarterly reports to government bodies, including but not limited:

VAT, payroll, social fund and statistical reports;

c) On an Annual Base:

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

- BEL Group Audit;
- BEOC Cost Recovery Report;
- BEOC Special Purpose Statement;
- BEL Profit Tax Return;
- Physical Inventory check as of the end of 2019 year.

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

a) Legal, Compliance, Document Control & Translation issues

- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- Cases of various vendors in terms of BEOC payment obligations and received payment requests were reviewed and reported to management;
- Consent letter was sent to SOCAR Investments Department regarding disclosure of PSA;
- 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

- Terminating Employment Agreements of 2 employees (1 due to resignation, 1 passed away);
- Overall 353 HR related operations have been made through this month;
- 151 vacations and 34 bulletins have been written and entered to the HRB system;
- Performance Appraisal Policy and Performance Appraisal Form was updated;
- Review and revisions of current job descriptions were ongoing;
- Recruitment activities continued with respect to certain vacant positions;
- Review of employee personal files continued;
- Headcount report was submitted to SOCAR Upstream;
- Organization of mandatory trainings was carried on.

VII– ADMINISTRATION & SECURITY: *Reported by Elshad Hasanov*

Security: *Reported by Masud Shahmaliyev*

- 425 person and 263 vehicles entered to BEOC 304 area based on the request issued of one-time entrance permissions.
- Registration of inflow and outflow of materials, equipment, workers going to the premises via Access Control Point # 1 is monitored on a daily bases.
- Maintaining records in the logbook of 951 employees who left for Bahar (working per shift) and checking their availability at work during November.
- On 03,05,11,14,16,20,26,27 January 2020 deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel.
- Entry to the causeway is prohibited for vehicles weighting more than 3 tons as per the decision of the Company Management. Only in exceptional cases vehicles heavy than 3 tons are allowed on the causeways as per approval of the President.
- In 02.01.2020 at 21:30 Suleymanov Mirza, a driver, has seen a stranger in an island of BEOCL and has immediately informed CF and FD employees Suleymanov Zahid and Safarov Nurlan. It has found out that this person is Alimammadov Tural Alihaydar(01.01.1998) who lives in Beylagan(Shahsevan) according to police. Police have been informed and he has been taken to the police officer. Vice-president Elshad Hasanov has been informed.
- 10 letters have been sent to Aghayarov Avtandil, the chief of "Etalon Security" LTD, in order to get the permission certificates for 550 employees and 59 special machines to be able to enter the "BEOCL" area, according to points of the contract.
- On 16.01.2020, the specialists of the department took part in the control of the transfer of 136784 liters of diesel fuel to the "Bahar" area.

VIII – PROCUREMENT & MATERIALS: *Reported by Margarita Rudkovskaya*

a) Procurement

- 70 MR & SR Received
- 25 POs and SOs prepared in SUN System
- 45 MR's & SR's under the RFQ stage

b) Tender and Contracts:

- **Tender Packs under RFI –1**
 - BEOCL 10170 HEAVY VEHICLE & CIVIL PLANT RENTAL SERVICES
- **Tender Packs under Bidder List approval – 1**
 - BEOCL 10165 CS 2 GAS SEPARATOR SYSTEM RENOVATION
- **Tender Packs under ITT (bids submission period) – 1**
 - BEOCL 10165 CS 2 GAS SEPARATOR SYSTEM RENOVATION
- **Tendered Contracts under process – 1**
 - BEOCL 10162 SUPPLYING of WORKOVER TUBULAR (ITECO)
- **NUMBER OF ACTIVE CONTRACTS**
 - OPS/WO/LOG - 99 (including 16 transportation services and 20 services contracts for empl.)
 - CONSTRUCTION - 18
 - HSE – 8
 - G&G - 9 (incl. 2 consultancy contracts)
 - ADMIN – 26 (incl. 9 service contracts for empl.)
 - HR – 4
 - ITC – 11
 - LEGAL – 15
 - PM –16 (incl. 3 contracts for payment purpose only)
 - FINANCE – 2
- **NUMBER OF ADDENDUMS / EXTENSION -20**
- **TERMINATIONS OF AGREEMENTS-1**
 - BEOCL/2019/065 – Service Contract – Qasimov Emrah

c) Warehouse and Materials

- 667,513.00 kg handled without incident
- WHS received 28 PO's, 83 line items for the amount of 237,656.09 AZN
- WHS issued 507 line items for the amount of 593,635.26 AZN
- 7 (seven) NCR's raised 3 (three) NCR's was closed.
- Delayed Hanger 1 and 2-floor painting
- Delayed Video surveillance project
- Delayed Repair of roads in the territory PPY1
- Delayed Chemical storage
- Delayed installation Shelves Hangar 1, 3, 4
- Operations Monitor at gas station is out of service.
- Fuel station received 136,784.00 Liter of Diesel
- Fuel station issued 156,704.00 Liters of Diesel
- Fuel balance at February 1, 2020, is 65,859.00 Liters
- Waiting building project from constriction department (Main office Building)

IX – IT: *Reported by Eldar Eyyubov*

- Within January was no disruption in ICT dept.
- 98 helpdesk requests were processed
- All empty cartridges were replaced
- All ID cards have been issued
- 10 UPSes were equipped with new batteries and installed
- A broken laptop of Echometer specialist has been replaced
- Started preparation for transition to Windows 10
- 2 Computers restored after system failure
- All systems in normal operating mode
- All printers have been checked
- All servers checked and backed up.

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