

**BAHAR ENERGY OPERATING COMPANY**  
**MONTHLY REPORT**

**May 2021**

**Contents**

EXECUTIVE SUMMARY:.....	2
I - HEALTH, SAFETY & ENVIRONMENT: .....	3
II - PRODUCTION / OPERATIONS:.....	4
III – CONSTRUCTION: .....	5
IV – SUBSURFACE: .....	13
V - FINANCE:.....	13
VI – LEGAL PROCESSAND HUMAN RESOURCES:.....	16
VII– ADMINISTRATION & SECURITY:.....	14
VIII – PROCUREMENT & MATERIALS: .....	16
IX – IT:.....	17

## **EXECUTIVE SUMMARY:** *Reported by the President*

A summary of activities during May 2021 is below:

### **a) Health Safety and Environment:**

- In May, there were no TRIR's and no other incidents. BEOC's TRIR is 0.33 as of the end of May. 56 PTWs were issued. Environmentally no spills were reported.
- HSE department has been continuously taking preventive actions in the BEOC buildings and main roads against potential Corona Virus infection.

### **b) Production:**

- Oil production was 433 Bopd, down 74 Bopd from April 2020, due to reinstalling ESP's in South GD in GD414.
- Gas production was 20.8 MMcfd, which was similar to April production.
- BEOC also utilized 3.9 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressure, which required additional compression fuel.

### **c) Workovers:**

- In Gum Deniz, ongoing workovers in the GD 413 and 430 with the GD601, GD465, and GD 448 completed and returned to oil production.
- In Bahar, well BH 196 and 144 continued fishing and recompletion activities. Recompletion work started on the BH165 well.

### **d) Construction:**

- Offshore construction operations continued on GZU 2, PLT 169, and PLT 70/106 in the Bahar field.

### **e) Subsurface**

- The work continues building geo and simulation models for main producing reservoirs in both GD and Bahar fields. Work on a revised Plan of Development continues and it will be reviewed with SOCAR shortly.

### **f) General Management**

- BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure a safe workplace for all our employees and contractors.

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

- No any incident was recorded in May.
- TRIR is 0.33 by the end of May.

**a) Monthly Safety statistics for May 2021**

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	120243	0	0	39
February	0	108897	1.84	1	40
March	0	131328	0	0	58
April	0	121035	0	0	64
May	0	118062	0	0	56
<b>Total</b>	<b>0</b>	<b>599565</b>	<b>0.33</b>	<b>1</b>	<b>257</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

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

**c) HSE Activity**

**- HEALTH:**

- HSE department has been taking preventive disinfecting actions at the BEOC work places 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 performed disinfecting the company rented buses against potential Corona Virus infection.
- 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.
- 35 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

**- SAFETY:**

- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 11 newcomers/ visitors.
- In accordance with Local regulation the Health and Safety knowledge evaluation of 72 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 provided and reported. Fire fighting water pump was tested at the Oil Process and Transportation field.

**- ENVIRONMENT**

- Environmental Statistics for Month/Annual

<b>Month</b>	<b>Spills Number</b>	<b>Spill Volume</b>	<b>Comments</b>
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
<b>Total</b>	0	0	0

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

**d) Training and other activities:**

- As a part of HSE assurance plan 2021 Safety Stand down Meetings were conducted at the BEOCL worksites in the following themes:

“Safe offloading operations” for 20 employees  
 “Safe welding and grinding operations” for 28 employees  
 “Working at height” for 15 employees  
 “Safe and correct usage of PPE and CPE” for 10 employees

Total participants were 73 workers.

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

a) Production is shown below:

OIL and GAS Production 2021 Budget and Actual																		
May-21	Oil Shipped to sales Point Actual ton/day	One ton equal to barrel	Oil Shipped to sales Point Actual BOE	Oil Production Actual ton/day	Actual BOE for Oil	Oil Production Budget ton/day	Budget BOE for Oil (equal to barrel 7,4)	Gas Production Actual m3/day	Gas Production Actual scf/day	Gas Production BOE	Gas Delivery m3/day	Gas Delivery scf/day	Gas Delivery BOE	Gas Production Budget m3/day	Gas Production Budget scf/day	Budget BOE for Gas	Total Actual BOE	Total Budget BOE
January	79	7.52	591	80	598	90	666	596,055	21,049,682	3,787	574,092	20,274,059	3,647	728,000	25,709,320	4,625	4,238	5,291
February	65	7.53	486	70	530	93	688	589,044	20,802,089	3,742	559,874	19,771,950	3,557	726,000	25,638,690	4,612	4,043	5,300
March	58	7.58	439	59	447	94	696	584,848	20,653,907	3,715	552,837	19,523,439	3,512	767,000	27,086,605	4,873	3,951	5,568
Q1 Average	67	7.54	506	70	525	92	683	589,982	20,835,226	3,748	562,268	19,856,483	3,572	740,333	26,144,872	4,703	4,078	5,386
April	69	7.54	517	69	520	93	688	578,516	20,430,293	3,675	543,913	19,208,288	3,455	797,000	28,146,055	5,063	3,972	5,751
May	59	7.51	443	60	447	59	437	589,893	20,832,071	3,747	528,386	18,659,952	3,357	568,000	20,058,920	3,608	3,800	4,045
June			0	0	0	0	0								0	0	0	0
Q2 Average			0	0	0	0	0							0	0	0	0	0
July			0	0	0	0	0								0	0	0	0
August			0	0	0	0	0								0	0	0	0
September			0	0	0	0	0								0	0	0	0
Q3 Average			0	0	0	0	0							0	0	0	0	0
October			0	0	0	0	0								0	0	0	0
November			0	0	0	0	0								0	0	0	0
December			0	0	0	0	0								0	0	0	0
Q4 Average			0	0	0	0	0							0	0	0	0	0

- Production rate of the Gum Deniz field averaged 60 tons/day. Delivery 59 tons/day
- During the report covering period we haven't delivered any solution gas, the volume of gas used by compressors for internal needs for oil refinery was 3 100 000 m3 (100 000 x 31)

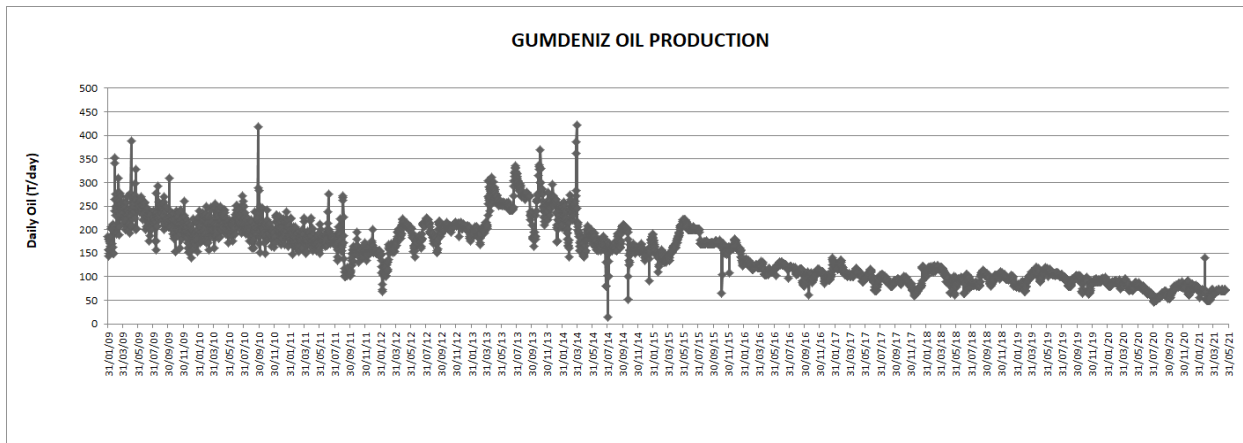
The chart below shows the reasons for oil production decrease

Oil Production Rate Differences Between April and May 2021																																		
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
April 2021	1.2	2.2	1.1	0.0	4.3	16.7	1.3	3.4	9.2	0.0	0.0	9.9	0.0	0.0	0.5	3.4	1.7	0.0	2.4	1.1	1.2	2.4	1.5	3.0	2.9	1.7	2.5	4.4	1.7	0.0	6.8	0.7	0.6	88.0
May 2021	1.0	3.3	0.7	0.0	3.7	16.4	1.8	1.5	7.4	0.0	4.4	2.7	0.0	0.0	0.0	2.8	1.7	0.0	0.8	0.9	1.0	1.9	1.4	3.4	4.9	2.2	3.3	1.2	1.7	0.0	6.2	0.9	0.6	77.4
	Difference																											-10.6						

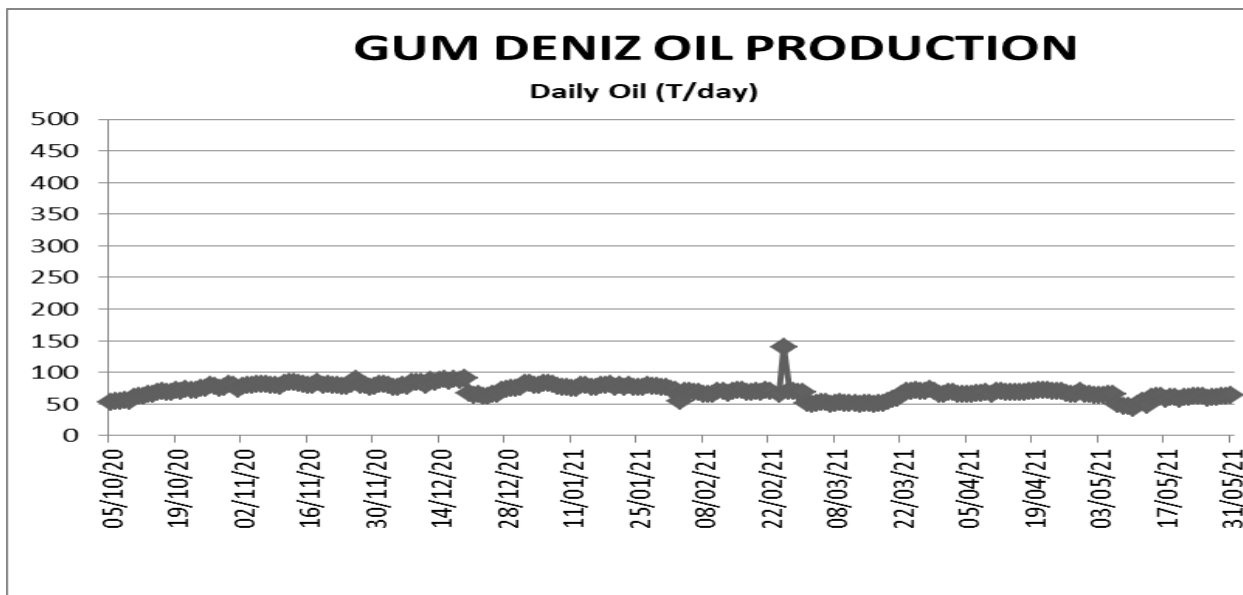
- GD-465 WOs were completed, SLB ESP was run in the well, completion done.
- GD-601 WOs continue.
- GD-478 WOs carried out, well completion done via GLV method.
- GD-297 WOs carried out, well completion was done therefore production was water well was shut.
- GD-448 WOs were completed, SLB ESP was run in the well.

- GD-479 WOs carried out, well completion done via GLV method.
- GD-430 malfunction was found in SLB ESP, well went under WO, continue.
- GD-413 malfunction was found in SLB ESP, waiting on WO crew.
- GD-445 pumped specific chemical mixtures into the well, completion was done.

**a) Year to Date Production: Gum Deniz**



**b) Oil Production for Last six months.**



**c) Production – Bahar**

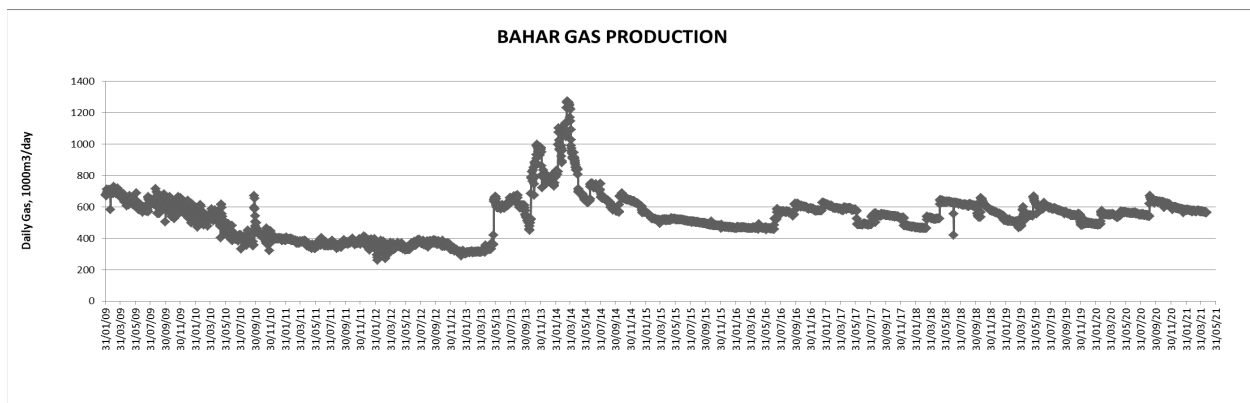
- Bahar daily gas delivery realized as an average of 528 386 m3/day
- Gas delivery was 18.66 MMcfd.

The chart below shows the reasons for gas delivery increase.

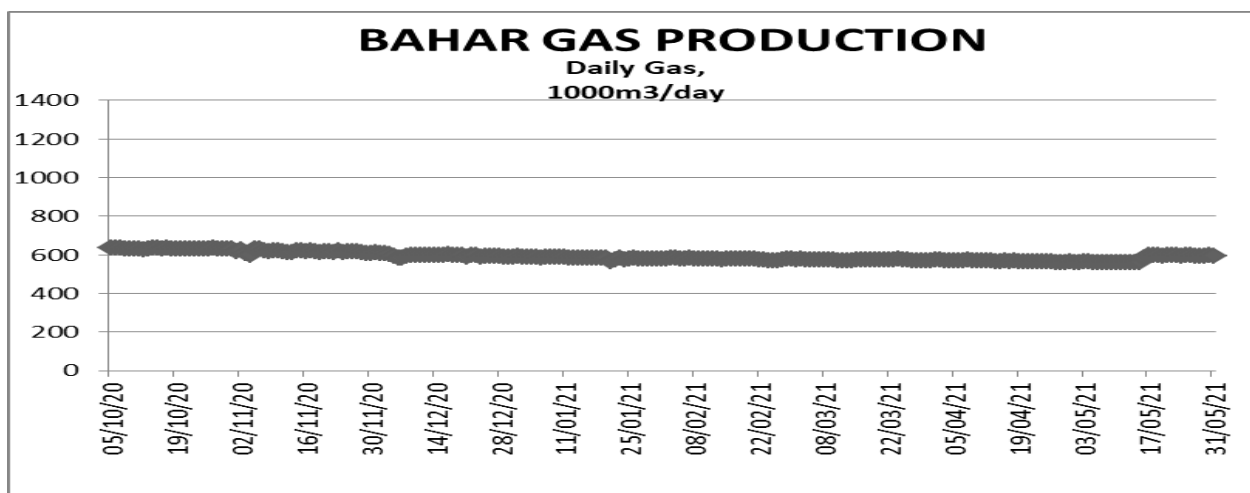
Gas Production Rate Differences Between April and May 2021													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
April 2021	34	47	0	39	90	115	37	76	75	1	15	44	573.0
May 2021	37	47	18	37	86	114	37	76	75	1	15	43	586.0
Difference													
												13.0	

- WOs & completion were done in the well144 at PLT048 of Bahar field
- WOs continue in the well 196 at PLT196 of Bahar field
- WOs commenced and continue in the well 165 at PLT168 of Bahar field
- Construction crews continue repairs on PLT196 & PLT70/106 at OGSU.2 of Bahar field

**d) Year to Date Production: Bahar**



**e) Bahar Gas Production for Last Six Months.**



**f) Additional Production Works:**

- Construction of “Closed Loop System” project stipulated to prevent pollution of environment through discharge of formation water from technological storage reservoirs located at Oil Processing Unit is ongoing by “Construction Division”.

- Completed repair of boatlandings on the east and west side at PLT409 of Gum-Deniz field.
- Leak was found in 2 places in 8” production subsea line coming from Gum-Deniz PLT409 in direction to PLT208, the leak was eliminated with the help of the diving crew. Therefore for the period since 06.05.2021 to 16.05.2021 oil production loss due to leak was 270m3.
- Relocation of gas / fluid measuring junction continues at 470 belonging to “Gum-Deniz” area.
- Due to removal of Gas Distribution Point at causeway connected to PLT450 “Construction Department” initiated laying of 3 ea of 2.5” gas lift lines running from causeway PLT009 to PLT450 at Gum-Deniz Field, connection works will be proceeded.

<b>May 2021</b>	
<b>Name of the operation</b>	<b>Completed Operations</b>
Hot Light Oil Operation in wells	6
Hot Light Oil Operation in wells	8(6 wells)
Fluid level survey	85(17 wells)
Sulfanol treatment in wells	1 (1 well)
Salinity measurement in wells	84 (34 wells)
Soap stick application in gas wells	-

**g) Auto-Transportation Sub-Division.**



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	178							
Pulling Units serving for WO	9	1083.5	1083.5	70				
Stationary Type Pump (V-12)	1	27.5	27.5	2				
Stationary Type Pump (V-16)	1							
Drawwork (QBQ-120)	2	322.5	322.5	4				
Mobile Boiler Truck (Consisting of two parts)	1	5	5					
Cement Trucks serving all BEOC Departments	11	2640	243.5	218	9			
Water Tank Trucks of Autotransportation Workshop	3	480	58.5	37	3871			
Other vehicles of Autotransportation field	7	568	70.9	30	967.4			
Fire trucks	3			1				
Number of Trucks put back into service after a long term repair works								
Rented Heavy duty trucks						9/108,5	6/months	15/37

Logistic Report for Lifting Operations for May 2021			
01.05-31.05			
Months	Orders	Weight (kg)	Hours
GENERAL	<u>Total: 178</u>	<u>Total: 1290000</u>	<u>Total: 446</u>

**h) Marine Sub-Divison.**

Report for May 2021								
	DAYS	PASSENGER NO		TONNAGE	INCIDENT	REPAIR	SAILING	CANCELLATION
		OUTBOUND	INBOUND					
ULLUCHAY	22 days			1,098,753 kg	NO		TOTAL-44	TOTAL-8
MAGIC-1	16 days	284	306		NO			
XEZER-3	2 days			201.000 kg water	NO			
ZERDAB-3	3 days				NO			
OM	1 day			129.784 litres of diesel fuel	NO			

i) Power usage and charges chart:

**POWER/ELECTRICITY COST by MONTHS - 2021**

ACTIVE ENERGY LOCATION	Kwatt					
	January	February	March	April	May	TOTAL
GumDeniz - Field	710,000	640,000	653,000	651,500	527,000	3,181,500
Compressor station 14	73,000	66,000	69,000	68,600	70,000	346,600
Compressor station 1	342,000	297,000	317,000	319,500	349,000	1,624,500
Compressor station 2	540,000	478,000	484,000	488,200	539,000	2,529,200
Automotization Industrial Processes	6,800	6,200	6,200	6,000	5,000	30,200
Electric workshop	7,100	6,400	6,500	6,500	5,800	32,300
Oil Process	90,000	80,000	80,000	80,600	89,600	420,200
5000 area	126,000	107,000	108,000	90,000	98,000	529,000
Gas Process	6,769	6,033	6,533	6,435	3,148	28,918
Workover	30,247	25,220	27,220	26,423	27,625	136,735
Offices	40,036	34,061	34,064	34,064	35,266	177,491
Transportation	36,078	32,486	35,456	34,456	35,658	174,134
Laboratory	13,640	12,217	12,217	11,216	12,418	61,708
Construction	39,680	35,250	35,250	35,252	36,454	181,886
Water supply	148	116	196	197	59	716
<b>TOTAL -kW</b>	<b>2,061,498</b>	<b>1,825,983</b>	<b>1,874,636</b>	<b>1,858,943</b>	<b>1,834,028</b>	<b>9,455,088</b>
	0.076271187					
<b>COST AZN total</b>	<b>157,233</b>	<b>139,270</b>	<b>142,981</b>	<b>141,784</b>	<b>139,883</b>	<b>721,151</b>
<b>REACTIVE ENERGY kVAR</b>						
<b>kVAR</b>	<b>927,459</b>	<b>735,329</b>	<b>895,218</b>	<b>998,319</b>	<b>1,126,012</b>	<b>4,682,337</b>

j) Workover Division.

a) Highlights:

**Bahar WO's**

- BHR 144 – Successfully completed well re-completion. Set Mapset Packer at 4283.51m (WM). Dropped the bar, perforated at 4300-4296m, 4292-4290m and 4288-4286m. Well flowing gas.
- BHR 196 – Continue fishing / backing off of stuck LH DP string at 3616.4m. Total fished / recovered from the well 229 joints of LH DP, 198 joints to be recovered. Continue.
- BHR 165 – Started well WO operation. Successfully pulled w/Inner string 2475m, nothing left in a hole. Reciprocated outer string could move only 2m at 15 ton over pull. Will continue with Jet cutting via Wireline.

**Gum Deniz WO's.**

- GD 601 – Executed cementing of 3128 -3135m perforation zone, milled remaining cement and pressure tested positive to 100 atm. Continued milling operation, successfully milled stuck tubing off completely. Milled / cleaned well bore down to 3235m. Will circulate to clean, raise work string to 3080m, check federate and test of 3150 -3158m intervals.
- GD 478 – Poured sand into the well bore, made and confirmed TOS at 2407.5m, provided plug isolation of 2412 – 2418m perforation zone. Perforated at 2342 -2345m,

- 2386 2390m, 2404 – 2406m intervals w/73mm Casing Gun. RIH w/93mm Re-entry guide, landed at 1502m. Put well back on production.
- GD 479 – Moved the derrick and related equipment from G478. Bled the well off. Pulled out ESP Assy. TD confirmed at 2565m via Wireline. Scraped 6-5/8" Casing down to 2578.74m. Wireline BP set at 2557m, dumped cement at 2557m. Made PBTD at 2556.40m with the purpose of isolation of perforation intervals at 2558 – 2561m. RIH w/GLV production string and landed at 1501.95m. Put well back on production.
  - GD 297 – MU and RIH w/124mm JM BHA 1959m. Milled / cleaned down to 2079m. Formation sand in return, circulated to clean, pulled. RIH w/Production string 1905m. RU SGGI WU. Perforated at 2009 – 2011m interval with 51mm through tubing TCP. Put well on production.
  - GD 465 – Cleaned well bore down to 3478m, pulled. Logged QUAD Neutron. As per interpretation result, perforated 3384 - 3381m, 3322 - 3319m intervals w/86mm Casing Gun. MU and RIH w/ESP Assy. ongoing. Put well back on production.
  - GD 448 – Successfully pulled eroded / corroded tubing string w/Shrouded ESP Assy. Scraped the casing down to 600m. MU and RIH w/New Shrouded ESP Assy. Landed at 200m. Started injection operation.

**South Gum Deniz WO's.**

- GD 430 – Have skid the derrick onto the well from G418. Pulled to ESP Assy. LD of ESP BHA, Pulled and LD ESP Assy. Inspected, thin layer of salt on the pumps. RIH w/ESP Assy. Landed 1767m. Put well back on production.

**b) Monthly / Annual Workover Statistics**

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	4	1
February	8	3
March	10	4
April	12	4
May	10	5
<b>Total</b>	<b>44</b>	<b>17</b>

**c) Summary of Workover Activity**

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 196	Fishing / Recompletion	40-2-196-01-21	148M \$	238M \$	89M \$
BHR 144	Recompletion	40-2-144-01-21	72M \$	127M \$	55M \$
BHR 165	Fishing / Recompletion	40-2-165-01-21	7M \$	308M \$	301M \$
GD 601	Recompletion	40-1-601-01-21	143M \$	185M \$	42M \$

**d) Summary of Well Service Activity**

Well Services		
Well	Operation	Actual Cost
GD 430	ESP replace	11.5M \$
GD 479	ESP replace	34.5M \$
GD 297	Well service / Perforation	37.2M \$
GD 465	ESP replace	48.7M \$
GD 448	ESP replace	10.5M \$
GD 478	Re-Perforation	36.5M \$

**III – CONSTRUCTION:** *Reported by Ali İskender Gurbanzade*

**CONSTRUCTION PROGRESS REPORT FOR MAY 2021**

#	Field/Location	Work Description	Status
<b>Gum-Deniz</b>			
1	Causeways	in order to repair the bad support pole, hammering 2 new supports out of 10" pipes and connection between them on the causeway in between PLT1 & PT2,	in progress
2	Causeways	Installation and connection of piles made of 10" pipes in front of PLT66, for the repair of bad parts of the causeway and the vehicle overpass. Completed hammering of 4 piles and connection of 400 mm double beams between the piles. Additionally, hammering of new piles on the east side of previously hammered piles.	completed
3	Causeways PLT9	Connection of 600mm i-beam with 10x10 panels installed on the causeways' piles for the widening of the vehicle pass at the causeway in between the crossroads and PLT9 where 6 / 0.4kV Distribution Unit No. 13 located.	in progress
4	PLT2	Replacement of UPT-50 pulling unit's mast with new one at PLT2, working to skid pedestal and pipe racks over on the well No. 716 from well No. 297.	in progress
5	Causeway, PLT209	installation & painting of 5th steel panel 10x10 at PLT209.	in progress
6	Fab.shop	Welding and setting up works in the Fab. shop on the cable spooler used during WO operations (POOH & RIH) at ESP wells of Gum-Deniz field."	completed
7	Causeways	Continuing welding gas lines and elbows on 2.5" gaslift line layed from PLT9 to PLT450	in progress
<b>Bahar field</b>			
8	GZU-2	Proceeding the installation of 12" gas flow line pipe supports along the existing bridge according to the project. Expansion of the existing comb separator area in the south-western part of the working area. Reinforcement of lines coming from wells in the southern part of the existing working site and installation of 6x13m service platform. Have started installation of pipe fittings and comb type separator fabricated in the workshop, on the panels.	in progress
9	PLT168	Fixing works at the bottom of the derrick supports, preparation of guideline anchors' spots making up, and reinforcement works in the intermediate part of the existing panel with rotary piles in order to prepare well No. 165 for WO.	in progress
10	PLT65	Moving construction crew to PLT65 to carry out restoration and repairs as well to prepare wells 187, 189, 190 & 191 for WOs. Repairs of boatlanding on west side of working area.	in progress
11	PLT20	Carrying out repair and restoration works in order to prepare the well 206 for WO located at PLT20 of "Bahar" field, Assembly of the 4th 10x10m panel in progress	in progress
12	PLT-70/106	Continue repairs and installation works as for preparation for WO of twell#74 at PLT106/70 Bh. Completed installation of 3rd panel. Prepare for mounting of derrick.	in progress

**Additional Works**

1	In the hangar No. 1 of the central warehouse area, the installation of shelves for the collection of goods and materials has commenced, continues.	in progress
2	Completed fabrication of roofing supports of 2.5" pipes in the workshop, for the roof of C-D(2 items) and B block of Administration bld." As for preparation for roofing installation mounting wooden supports and corrugated steel sheets. Done installation of rain water drainage system.	in progress
3	Connecting cross-beams with existing structures to repair the damaged section of the road at causeway PLT160.	in progress
4	Construction of new oil trap for oil separation and construction of pump station at Oil Prep. & Transportation area, rooms walls and flooring covering with metal sheets. Installation works on PS on going.	in progress
5	Installation and connection works completed in between old gas lift pipeline along the dam road and the entrance and existing water line close area to the "Halikarnas" restaurant as well as installation of vertical pipeline supports. Work is on-going on cutting of old unused lines and installation of additional pipe supports on the existing water line on-going	in progress
6	Based on the project, BEOCL Representative Office in the Republic of Azerbaijan works on reconstruction of the separator system, to improve the quality of sales gas from Bahar field in GZU #2. Carry on with 12" piles hammering over the prepared area.	in progress
7	Fixing of the leak in 5 & 6 GMK staged gas cooler at CS -1.	in progress
8	Fabrication of pipeline supports for 35 atm gas line for natural gas delivery by BEOCL to OGP Dpt. after 28 of may. 52 supports were fabricated totally.	in progress
9	in order to re-commission and put back on production the well No. 005, that was suspended for a long time located on 470 in the island area, which has been out of operation for a long time, re-installation and connection of "GSU", "Fluid Measurement" junction and "Household gas" separator located in the area preparation of details in the workshop for laying lines.	in progress
10	Pulling submersible pumps out of pits, that serve for the injection system at PLT209 to clean it (2 units) and cleaning of submersible pumps that serves the technical water line at PLT450 GD.	in progress
11	Connection of newly installed piles to repair bad support poles and crossbars, restoration of existing steel beams in between "Gum-Deniz" area and causeway "Sahil" PLT62.	in progress
12	Reconstruction of existing cable trenches to lay a cable line from PQ.655 to Oil Pumping St. 6KV engines at Oil Prep. & transport. Field	in progress

## IV – SUBSURFACE: *Reported by Ray Larijani*

### Workover Programs prepared

1. **GD-465** Perforate horizon PK 3384-3381m, 3322-3319m.
2. **GD-479** Check TD, if there is a sand plug, clean sand down to TD. Log GR/CCL/QUAD neutron at 2573-2325m intervals. Further operations will be planned according to QUAD neutron results (1), Clean wellbore with scraper down to 2560m. Set BP at 2557m.
3. **GD-430** Inspection the condition of the pump and run 1820m 2 7/8" tubing with ESP.
4. **GD-716** POOH tubing string. If the perforation zone is plugged, to clean the well. Run 2250m 2 7/8" tubing with ESP.
5. **B-165** POOH inner tubing string. Fishing of stucked outer tubing string out of the well. Drill cement plug at 3990m. Clean well down to 4843m. Perform logging at GR/NGR/CCC at 4843-3350m.

### Wells logged/re-logged

1. **GD-479** QUAD neutron.

### Wells completed

1. **B-196** Fishing/Recompletion. Ongoing, Actual cost 148 M \$.

2. **B-144 Recompletion.** Perforated at horizon IX 4288-4286m, 4292-4290m, 4300-4296m. Expected gas rate is 50Mm<sup>3</sup>/d. Actual cost 72 M \$.
3. **GD-601 Recompletion.** Produces 0.2 m<sup>3</sup>/d condensate, 0.9 m<sup>3</sup>/d water, 40 Mm<sup>3</sup>/d free gas. Actual cost 143 M \$.
4. **B-165 Recompletion.** Continues. Expected free gas rate is 55 Mm<sup>3</sup>/d. Actual cost 7 M \$.
5. **GD-430 ESP replace.** Actual cost 11.5 M \$.
6. **GD-479 ESP replace.** Well produced only water. Actual cost 34.5 M \$.
7. **GD-297 Well service/Perforation.** Perforated horizon VI at 2011-2009m. Actual cost 37.2 M \$.
8. **GD-465 Perforation/ESP replace.** Perforated horizon KaS at 33222-3319m, 3381-3384m. Well produces 1 m<sup>3</sup>/d oil, 113 m<sup>3</sup>/d water, 1 Mm<sup>3</sup>/d solution gas. Well exploits with ESP. Actual cost 48.7 M \$.
9. **GD-448 ESP replace.** Actual cost 10.5 M \$.
10. **GD-478 Re-perforation.** Perforated horizon VIII, IX at 2345-2342m, 2390-2386m, 2406-2404m. Well produces 8m<sup>3</sup>/d oil, 143 m<sup>3</sup>/d water, 2 Mm<sup>3</sup>/d solution gas by injecting 31 Mm<sup>3</sup>/d gas. Actual cost 36.5 M \$.

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

#### Cased-hole logging:

##### Interpreted logs from GGI:

1. **GD-479 QUAD neutron.**

#### Geology

Preparation work for 465, 479, 716 & 601 new completions.

#### Reservoir Engineering

1. Bahar Horizon VII simulation history matching continues.
2. Bahar horizon V simulation history matching continues.
3. Bahar FS-BX-BIX simulation and WO candidates forecasting continues.
4. Bahar PK simulation history matching completed.
5. Prosper models built for: Gumdeniz field gas injected wells: GD-038, GD-466, GD-467, GD-468, GD-470, GD-471, GD-478 and GD-716. Bahar field natural flowing well: B-144.
6. B-165 WID document prepared.
7. WO Success file updated.

8. Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
9. Updated Bahar and GD OFGM database.
10. Updated Daily and monthly Production follow up database.

<b>May 2021 Planned and Fact Production Comparison</b>			
	<b>Plan</b>	<b>Fact</b>	<b>Difference</b>
<b>Oil and Condensate, tons</b>	<b>3000.311</b>	<b>1845.022</b>	<b>-39%</b>
<b>Free Gas, Mm3</b>	<b>24945.595</b>	<b>18286.674</b>	<b>-27%</b>
<b>Solution Gas, Mm3</b>	<b>2339.288</b>	<b>1549.896</b>	<b>-34%</b>

### Seismic

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

### **Task Schedule**

<u>Tasks started</u>	<u>Start date</u>	<u>Provisional completion date</u>	<u>Completion date</u>
<b><u>Bahar Field</u></b>			
Bahar FS-BX-BIX Simulation & WO Candidates Forecast	31 March 2020	15 June 2021	
Bahar horizon VII Simulation & WO Candidates Forecast	15 September 2020	20 June 2021	
Bahar horizon VIII Simulation & WO Candidates Forecast	1 October 2020	25 June 2021	
Bahar horizon V Simulation & WO Candidates Forecast	20 March 2021	25 June 2021	
<b><u>Completed</u></b>			
Bahar PK gomodel	26 April 2021		4 May 2021
Gumdeniz SGD geomodel	1 April 2021		31 May 2021
GumDeniz KaS detailed seismic study.	25 April 2021		31 May 2021
Bahar field PK horizon simulation history completed.	5 May 2021		31 May 2021

## **V - FINANCE:** *Reported by Rasul Gafarov*

### **a) On a Monthly Base:**

Completed Apr-21 accounting cycle in accordance with the monthly schedule.  
According to JOA issued Apr-21 Monthly reports to Contractor Parties.  
According to JOA and Apr-21 – May-21 Cash Calls distributed to Contractor Parties.

Issued Apr-21 Additional Monthly reports to Contractor Parties.

Issued and distributed Apr-21 Monthly departmental cost reports to Budget Holders / Department Managers.

Issued and submitted Apr-21 monthly reports to government bodies, including but not limited:

Prepared and submitted monthly Apr-21 Financial Highlights report to the Management.

VAT, payroll, social fund and statistical reports;

**On an Annual Base:**

Start preparation for 2020 Audit of below shown reports and actions:

- BEOC Cost Recovery Report;
- BEL Profit Tax Return;

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

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

- Draft Deed of Novation on transfer of rights and obligations under GSA from SOCAR to Azercontract was finalized and executed;
- Court case finalized with General Supply by court rejecting to impose interest for late payment and lifting arrest on BEOC property;
- Structural change orders were issued due to departure of expat VP and internal transfer of other employees;
- Communication was exchanged and meetings held due to wrong cut of reserve line by Azneft's metal collector;
- Letter was prepared and sent to Labor Inspectorate to address employee complaint;
- Actions continued for inventory of Admin, Security and IT assets;
- Various SOCAR inquiries for information were addressed;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application. Work & residency permit was obtained from the State Migration Service for G&G Manager;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- Certain incoming letters were addressed with necessary input;
- Necessary internal orders were drafted/reviewed and commented;
- Rep Office's different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation; JAFZA renewals and other activities were carried on;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.



## **b) HR issues**

- Use of the outstanding vacations was monitored;
- Employment of 2 employees have been terminated and re-employed till the end of December 2020;
- Interviewing of 2 candidates for Electrical welder position
- Termination of employment agreements of 2 employees (1 by own request and 1 died)
- To be expired contracts were followed up and management was updated;
- Overall 338 HR related operations have been made through this month;
- Organizational structures have been updated as per last changes
- 147 vacations and 96 bulletins have been written and entered to the HRB system;
- Review and revisions of current job descriptions were ongoing;
- Review of employee personal files continued;
- Meetings were held with HRB system provider to discuss issues related with software;
- Performance Appraisal of Company employees for 2019 was followed up;
- Electronic permissions were controlled and updated on e-gov to ensure uninterrupted access of employees to working places.

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

- **Legal, Compliance, Document Control & Translation issues**
- Multiple meetings were held with employees on lay off process;
- Follow-up activities conducted within the employee redundancy program:
- Employees resignations were properly documenting;
- Inquiries received from various authorities regarding redundancy were addressed;
- Discussions continued with the Chairman of the Trade Union regarding redundancy process;
- Letter was sent to FHN regarding fire-fighting contract;
- Letter was sent to Ministry of Defense to check Rep Office employees with a veteran status;
- Letter was sent to Statistics Committee on sensitive info public disclosure in a line to EITI disclosed data;
- Collective complaints by employees to President’s Office, First Lady, SOCAR and Labor Inspectorate were addressed;
- Various SOCAR inquiries for information were addressed;
- Work on residency/work permits and registration with the State Migration Service continued applying new SOCAR approved system of application; Residency permit was obtained for President of Rep Office;
- Contract review and negotiation activities were continued advising on contract drafts and other contractual documents;
- Certain incoming letters were addressed with necessary input;
- Necessary internal orders were drafted/reviewed and commented;
- Rep Office’s different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation; JAFZA renewals and other activities were carried on;

- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

**- HR issues**

- Use of the outstanding vacations was monitored;
- Termination of employment agreements of 14 employees (by own request) and 1 employees' employment agreement was expired and documented;
- Employment Agreement was signed with 1 new employee – IT Specialist/IT Department
- To be expired contracts were followed up and management was updated;
- Overall, 419 HR related operations have been made through this month;
- Organizational structures have been updated as per last changes;
- 75 vacations and 26 bulletins have been written and entered to the HRB system;
- Review and revisions of current job descriptions were ongoing;
- Review of employee personal files continued;
- Meetings were held with HRB system provider to discuss issues related with software;
- Electronic permissions were controlled and updated on e-gov to ensure uninterrupted access of employees to working places.

**- Administrative affairs**

- The indicators of Azersu water meters were reported;
- Monthly schedules and timesheets for the Administrative and Security departments, as well as for their contractors have been prepared;
- MRs/SRs were prepared for take-off of the goods entered into Administration warehouse.
- Monthly reports on turnover goods and materials, low value goods and write off acts as well as low value goods use acts were prepared;
- Orders from all departments and structural units for stationery and production goods were received, consolidated list was prepared and MR was handed over to the Procurement division and the distribution of some materials from the Central Warehouse to the departments was organized;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out, inspection of the operating systems of the rooms and offices, supervising the cleanliness and tidiness of the offices and rooms was performed;

**- Security& Civil Defense activities**

- **281 person and 212 vehicles entered to BEOC 217 area based on request issuede for a of one time entrance permissions;**
- Registration of inflow and outflow of materials, equipment, workers going to the premises via the Access Control Point # 1 is monitored on daily basis;
- Maintaining records in the log book of 445 employees who left for Bahar (working per shift) and checking their availability at work during **May 2021;**

- On 08,11,16,27 **May** 2021 deployment of employees (working on shifts) to Bahar field on vessels was accompanied by the Department's rescue diver personnel.
- **On 07.05.2021, the specialists of department took part in the control of the transfer of 129784 liters of diesel fuel to "Bahar" area.**
- 3 letter have been sent to **Maarif Ahmedov**, the chief of "Tornado-S" LTD, in order to get the permission certificates for 12 employees **and 5 special machine** to be able to enter the "BEOCL" area, according to points of the contract.

## **VIII – PROCUREMENT & MATERIALS:** *Reported by Rasul Gafarov*

### **a) Procurement**

- 40 MRs & SRs Received;
- 37 POs and SOs prepared in SUN System;
- 0 MRs canceled/oh hold;
- 2 MRs & SRs passed to Contract/Tender;
- 72 MRs & SRs under sourcing stage.

### **b) Tender and Contracts:**

#### **Tender Packs under ITT (bids submission period) – 0**

#### **Tender Packs under evaluation – 2**

- BEOCL 10174 - Provision of 2 set VS 28 x 100 WO Derrick;
- BEOCL 10175 – Purchasing of 120 t Stationary Pulling Drawwork;

#### **Tenders under RCA approval – 1**

- BEOCL 10165 - CS 2 Gas Separator System Renovation;

#### **Tendered Contracts under process – 1**

- BEOCL 10165 - CS 2 Gas Separator System Renovation;

#### **Recommendation to prolongation & increase value of contracts – 1**

BEOCL/10167/19 Preparation & Supplying of Embarkation & Boat Landing platforms – ADO-G

#### **Number of Active Contracts**

- OPS/WO/LOG – 99 (incl. 15 transportation services and 19 services contracts for empl.);
- Construction - 25;
- HSE – 13 (including 1 service contract for empl.);
- G&G – 10 (incl. 1 consultancy contracts & 1 contracts for payment purpose only);
- ADMIN – 18 (incl. 3 service contracts for empl.);
- HR – 5;
- ITC – 12;
- Legal – 16;

- PM – 17 (incl. 1 contracts for payment purpose only);
- Finance – 3;

**Number of Addendums / Extension – 9**

**Materials Division:**

- **224,719.00 kg** handled without incident;
- WHS received **30 PO's, 123 line items** for the amount of **AZN 1,283,212.39**;
- WHS issued **342 line items** for the amount of **AZN 659,915.87**;
- **75 NCR's** raised; **5 NCR's** was closed;
- Fuel station received **136,784.00 Liter** of Diesel;
- Fuel station issued **148,849.00 Liters** of Diesel;
- Fuel balance at June 1, 2021, is **16,138.00 Liters**;

**IX – IT:** *Reported by Eldar Eyyubov*

- No disruption in ICT department within May
- 66 helpdesk requests were processed
- All new employees were provided with access cards
- Some equipment of CCTV system was tested
- The equipment of resigned personal was checked
- Installed were equipment of relocated employees
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

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