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## SHEBERGHAN GAS GENERATION ACTIVITY (SGGA)

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### SGGA Monthly Report

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## Acronyms and Abbreviations

AGE	Afghan Gas Enterprise
AGS	Afghan Geological Survey
APA	Afghanistan Petroleum Authority
MoMP	Ministry of Mines and Petroleum
OGS	Oil and Gas Survey
SGGA	Sheberghan Gas Generation Activity
TPAO	Turkish National Petroleum Corporation
USAID	United States Agency for International Development

# 1 DRILLING CONTRACT MANAGEMENT SUPPORT

## 1.1 Achievements / Activities

- Assisted Ministry of Mines and Petroleum (MoMP) to respond to a proposal from Turkish National Petroleum (TPAO) to double case the Gourdak salt/anhydrite formation in the Juma #2A well to protect from possible salt movement by suggesting technical approach to analyzing need for this operation. MoMP, after engineering review of similar wells drilled in the area, declined the proposal.
- Prepared a letter template for APA to use in requesting a no-objection letter from USAID for amendment to TPAO's contract providing for temporary abandonment of wells pending demand for production.
- Advised MoMP on handling of TPAO invoice for mobilization, including reminder of penalties for late payment.
- Informed USAID of MoMP plans to pay mobilization invoice from Ministry's appropriated funds without USAID contribution.
- Reviewed TPAO cost proposal (approximately \$462,555) for setting removable packers ("blanking plugs") for all three Juma-Bashikurd wells, and recommended that MoMP require additional details about proposed operations before agreeing to authorization for expenditure.
- Advised MoMP on TPAO's importation of perforation charges and radioactive isotopes.

## 1.2 Meetings

- 11 Jul 15, met with APA's Z. Sarwari and discussed the status of invoice processing, National Environmental Protection Agency (NEPA) reporting, and importation of wireline logging equipment. It was a positive meeting with apparent progress made on all issues.
- 26 Jul 15, met with APA's Z. Sarwari and discussed the status of invoice processing, NEPA reporting, and importation of wireline logging equipment. MoMP has submitted the environmental report to NEPA and the radioactive materials will be delivered to Mazar-e-Sharif through air on 29 Jul 15.

## 1.3 Challenges

- Although the Ministry has demonstrated its ability to analyze operations proposals such as the double casing matter, it from time to time does not employ or require adequate documentation, as in the case of TPAO's cost proposal for the bridge plug, where it did not request a detailed explanation of the operation and the basis for additional, sometimes questionable, costs. Due to end of Ramazan and Eid-al-Fitr holiday, communication with MoMP has been minimal. Beginning of regular hours at MoMP should resolve this problem and enable communications.

## 1.4 Plans for Next Month

- Monitor MoMP's support of TPAO importation of wire line logging equipment, including isotopes and perforation charges.
- Track MoMP/MoF processing of TPAO's first invoice.
- Track TPAO's drilling progress as they enter into the expected producing formation of Juma well #2A, and well logging and testing as it occurs.

## 2 SGDP NATURAL GAS DEVELOPMENT SUPPORT

### 2.1 Achievements / Activities

- Received the requested minister's directive to MoMP divisions to cooperate with and assist SGGA in gas field technical data access and gathering. This was the culmination of some nine months of efforts by SGGA to obtain the cooperation of MoMP in data collection needed for the seven field reserve estimates.
- Completed the reserve studies RFP for subcontracting petroleum engineering services for gas field data evaluation and reserve estimates, and sent them to USAID with a request for review and comment on the two step contracting structure.
- At his request Z. Sarwari reserved available reserve estimates for the Juma, Bashikurd, and Gerquduq fields together with information on the state of the abandoned Gerquduq gas processing facilities, the not-commissioned Yatimtaq amine unit, and the estimated condition of the Gerquduq gathering lines.
- Continued to collect data from various MoMP departments and staff on the seven gas fields to be covered by the planned data evaluation and reserve estimate subcontract.

### 2.2 Meetings

- 6 Jul 15, met with APA's Z. Sarwari to provide a copy of SGGA's latest economic model and discuss key points from SGGA's 2015 gas market study.
- 11 Jul 15, met with APA's Z. Sarwari and discussed the status of completion of a directive from the Minister requiring MoMP divisions to cooperate with SGGA on gas field data gathering.
- 14 Jul 15, met with Afghan Geological Survey (AGS) to arrange coordination for data collection for gas reserve studies. Despite having a copy of the Minister's directive on cooperation, AGS officials would not discuss the matter because they had not received a copy directly from the Minister's office. SGGA immediately contacted the Minister's staff to request that the directive be sent promptly to all MoMP's relevant divisions. The issue now has been resolved as to AGS and SGGA is being allowed access to AGS records.
- 25 Jul 15, met with Eng. Sharif, AGS' Acting Information Director to provide him an external hard drive for downloading gas field data from the AGS Information Department's computers for use by SGGA.
- 25 Jul 15, met with staff of AGS library staff and began downloading data from CDs in their possession, and met with Director of MoMP's IT Department to discuss what was needed to extract data from that department's server.
- 26 Jul 15, met with team leader and staff of GIZ Geological Consultancy & Capacity Building Services (CBAGS II), and discussed the nature and purpose and status of our respective data collection projects. GIZ is collecting Afghan oil and gas data to support and advise PA on establishing a national oil and gas database. SGGA reported by letter on the meeting to APA General Director, Dr. Q. Qaeym, including its conclusion that projects are not duplicative, a concern of Dr. Qaeym, but are complementary.
- 27 Jul 15, met with Eng. Farhad Ahmadi, Technical Director of APA and discussed the availability of the data inside APA and the relevant departments. Eng. Farhad offered his support to locate and provide the data to SGGA.
- 27 Jul 15, met with Dr. Q. Qaeym, APA's General Director and discussed the data collection program. He indicated MoMP and APA's full support in locating and providing the data to SGGA.

## 2.3 Challenges

- Initial data collection has met with mixed response. In some instances Ministry staff has been fully cooperative, but in other cases, Ministry staff has insisted on additional confirmation from their own immediate superiors rather than accepting the Minister's letter of instruction to cooperate. SGGA is dealing with senior Ministry officials to obtain more complete cooperation.
- Data collection has been hampered by the lack of any centralized database within the Ministry, and the lack of organization of the data that is available. Departments with data frequently are unaware of what specific data they hold, and significant amounts of data appear to be held by individuals, even after they have left employment at the Ministry.
- The need for Z. Sarwari, APA director of gas development, to request information as basic and easily available as estimate field reserves and the condition of gas facilities reflects the Ministry's inadequate handling of data and the lack of coordination among Ministry offices. All of the data that was requested has been provided by SGGA in the past, sometimes several times. It is concerning that MoMP is not able to use its own resources and staff to perform their day to day tasks.

## 2.4 Plans for Next Month

- Travel to Sheberghan to locate, assemble and collect data from Oil and Gas Survey and Afghan Gas Enterprise, as well as continue data collection in Kabul.
- Assuming USAID concurrence with the proposed subcontracting approach and collection of sufficient data to allow the request for proposals for engineering services to contain sufficient information for potential bidders to have a preliminary estimate of the amount of data requiring review, SGGA plans to issue a request for proposal for field data evaluation and gas reserve estimates in the latter part of the month.

# 3 CAPACITY DEVELOPMENT

## 3.1 Achievements / Activities

### Sheberghan

- Continued advising MoMP health and safety team on implementation of health and safety policies and procedures.
- Continued supporting Afghan Gas Enterprise (AGE) engineers on procuring services for the chromatograph.
- Two trainees from the Well Drilling course have been awarded scholarships to study in India, so will not continue the Sheberghan course.
- Market Leader Business English program continues in Sheberghan for OGS and AGE staff. Thirteen individuals have been added to the OGS class per the request of the acting director of OGS, Engineer Habibullah.
- Continue gathering data for preparation of an advanced well drilling class from TPAO's Mehmet Fatih Oguz

## Kabul

- Began discussions with APA Technical Director regarding the possibility of health and safety personnel at APA and MoMP participating in a distance learning course available from the United States Occupational Safety & Health Administration (OSHA).
- Continued mentoring MoMP's Department of Public Relations & Communications in staff development and training. Among the results of the mentoring are the Department's use of Facebook and Twitter, in Dari, Pashto, and English to reach an expanded public audience, and increased use and quality of press releases on Ministry activities.
- Completed MoMP's staff coaching project on use of business English.

## 3.2 Meetings

- 6 Jul 15, teleconference with APA's Technical Director, A.F. Ahmadi in regard to health and safety training. Discussed the possibility of staff at APA and MoMP participating in a distance learning health and safety training by OSHA Academy.
- 11 Jul 15, teleconference with APA's Technical Director Ahmad F. Ahmadi. Continued discussion regarding the possibility of a health and safety class for APA and MoMP health & safety related staff.
- 12 Jul 15, teleconference with Health & Safety Manager, Eng. A. Hakim in regard to health and safety training. Eng. Abdul Hakim stated that he has received a translated copy of Module 1 of the online health and safety training and will distribute it to the members of the health and safety team to review.
- 14 Jul 15, teleconference with Gas Pipeline Manager, Eng. Ayub in regard to servicing the gas chromatograph. Eng. Ayub stated that he has not yet heard from Turkish Petroleum. However, he stated that some Ukrainian specialists have arrived to Sheberghan who might be able to help them with servicing the chromatograph machine.
- 22 Jul 15, met with MoMP Capacity Development Manager, M.S. Zamani in regard to gaining his support for the United States Occupational Safety & Health Administration (OSHA) distance learning training for the engineers at AGE and OGS in Sheberghan. Mr. Zamani gave his full support and encouragement for moving with this training.
- 29 Jul 15, met with Gas Pipeline Controller Eng. Ayub from AGE in regard to progress being made in regard to obtaining assistance repairing and training on the chromatograph. He stated that the two Ukrainian engineers from Aria Oil Company are assisting in repairing the chromatograph and have agreed to train the chromatograph team in Sheberghan.
- 29 Jul 15, met with APA Technical Director A.F. Ahmadi in regard to their participation in the United States Occupational Safety & Health Administration (OSHA). He stated that he and the other staff at APA are not interested in participating in this distance learning training as they feel it is too long and they do not see the value in it.

## 3.3 Challenges

- Health and safety team members in Sheberghan have stated that they are not interested in the OSHA health & safety distance learning training that has been proposed for them. They stated lack of time as the main factor for not participating. They have requested instead to have a foreign instructor come in to do a short training on health and safety. Also, APA Technical Director stated that APA staff are not interested in participating in a distant learning course available from the United States Occupational Safety & Health

Administration (OSHA) as they feel the training is too long and they do not see the value in it. They would prefer to have a foreign instructor come into country to do a short health and safety training. Discussions on the merits of the distance learning approach are continuing, with emphasis on the difficulty of finding instructors will to come to Afghanistan and the substantial cost savings. The value of having an internationally recognized certification has also been pointed out.

### **3.4 Plans for Next Month**

- Meet again with Mr. Zamani in regard to his assistance in implementing the United States Occupational Safety & Health Administration (OSHA) distance learning training in Sheberghan with AGE and the possibility of Microsoft Office training with AGE and OGS in Sheberghan.
- Continue coaching MoMP's Public Relations and Communication Department staff.
- Continue Basic Well Drilling course in Sheberghan
- Continue Market Leader Business English classes for AGE and OGS staff in Sheberghan.
- Continue to assist AGE with obtaining service and training for the chromatograph in Sheberghan.

## 4 MONTHLY EXPENDITURES

Accrual Report Reference: EPP-I-00-03-00004-00 Task Order: AID-306-TO-12-00002  Reporting Period July, 2015		
A. Contract Ceiling:	30,440,957	
B. Total Obligated toward ceiling	30,440,957	
C. Ceiling remaining	-	
D. Total disbursed	22,272,249	
E. Accruals	1,167,362	
F. Combined totals	<u>23,439,611</u>	77.0% of obligation
G. Pipeline balance	<u><u>7,001,346</u></u>	
Accruals:		
June billed, not yet paid	\$ 447,612	
July estimate	<u>719,750</u>	
	<u><u>1,167,362</u></u>	

## 5 PROJECT SCHEDULE

Figure 1 - SGGA Schedule Gantt Chart

