###### APPROVED

**General Director**

**\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_**

# \_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_

**DRILLING AND WORKOVER OF WELLS**

**POLICY**

This Policy is to regulate the efficient conduct of activities of \_\_\_\_\_\_ Company while drilling, workover and servicing of wells, in accordance with the International standards in Oil and Gas Industry, as well as norms, accepted in the Republic of Kazakhstan. The main objective to follow on in drilling and workover of wells is safe, quality and accident-free conduct of works, using the up-to-date technologies, continuous improvement of production processes, cheapening the production, under the condition of strict observance of the HSE rules. The consistent observance of this Policy will allow realize the Company's strategic objectives with maximum efficiency.

To realize these objectives, \_\_\_\_\_\_ Employees and the Drilling department of the company shall:

* In conduct of the operations on drilling, workover and servicing of wells give priority to the issues of labor protection, safety, well control and fire safety, protection of health, environment and reserves;
* Inviolately observe all the existing laws, industrial norms, rules and procedures respective to technique and technology of wells drilling and workover;
* Take measures to prevent open well flowing, gas ingress, loss of circulating fluid, borehole wall collapse and cross-flow of oil, water and gas in the course of hole making and well development;
* Use efficiently the logistical resources, fuel and power resources and manpower of the Company and contracting organizations, maintain strict control and accounting of the resources in the process of well construction and development;
* With the purpose to improve the quality of wells construction, continuously improve the technology of well casing, to provide high degree of durability of cement bond behind casing and reliable segregation of oil, gas and water beds, preventing oil, gas and water circulation in the casing string borehole annulus.
* Work on improvement of operational procedures, for reducing of industrial emission and releases in the process of wells construction and workover, and take measures for prevention of excess waste formation;
* Cooperate actively with the respective state organs for timely and sound resolution of any issues arising in the process of drilling, workover and servicing of wells;
* In drilling-in and casing works, take all the necessary measures for protection of environment from pollution with drilling cuttings, excess volumes of clay drilling mud, chemical agents, cement and combustive and lubricating materials;
* Basing on the recommendations of scientific and specialised organizations, and taking into account the experience, implement the modern technologies and materials, dedicated to increase the efficiency of works in drilling and workover of wells;
* In drilling-in the pay horisons use the drilling mud composition that provide for manintenance of native rock permeability and oil saturation of formation, and preclude pollution and rupture of formation;
* Observe the requirements of respective standards, rules, instructions and instructional guidelines for assembly, operation and repair of drilling equipment;
* Develop and provide for implementation of qualification programs for technical personnel, engaged in construction and workover of wells;
* Maintain documentation on the process of drilling and workover of wells, in accordance with industrial standards, laws of the Republic of Uzbekistan, PSA and Company rules.

**AREA OF APPLICATION**

This Policy applies to all production departments, conducting operations in drilling, workover and servicing of wells on the licensed territories of \_\_\_\_\_\_ Company, including the contracting organizations.

**OBSERVANCE**

The Company drilling department, under the supervision of drilling and workover Manager shall develop the respective procedures for implementation and observance of this Policy.

The employees of drilling department shall provide for observance of procedures, rules, methods and instructions of \_\_\_\_\_\_, and the applicable laws of the Republic of Kazakhstan, instructions and rules for drilling, workover and servicing of wells on its territories, except for the situations, when non-observance had place caused by unforeseen or force-majeure circumstances.

In respect to such non-observance, the urgent measures shall be taken for remedial of the situation, in accordance with the established order.

In case it is impossible to take the immediate actions, one should apply to its direct supervisor for consultations.

**EXCEPTIONS**

There are no exceptions to this Policy.

**RESPONSIBILITY**

The responsibility for observance of this Policy is placed on the Drilling and Workover Manager and Drilling Department of the Company, including the seconded employees within their functions and authorities.

The responsibilities of Drilling and Workover Manager shall include supervision of development of programs and procedures for implementation of this Policy. Also, his responsibilities shall include rendering practical instructional and consultancy assistance to the drilling personnel of the Company and contracting organizations, in conduct of analysis and assessment of efficiency of measures for implementation of this Policy.

**REPORTING**

The requirements to reporting on observance of this Policy shall be defined in the respective production procedures.

**EFFECTIVE DATE**

\_\_ \_\_\_\_\_ 20\_\_

**TERM AND REVISION DATE**

The provisions of this Policy shall be revised once in 5 years, or earlier when the Committee of Approval of Policies shall deem it necessary.

**SUPERVISOR**

Operations Director