

Policyweekly

Oil drilling in Northern Nigeria:

How not to reproduce the experience of the Niger Delta



(Photo credit: [Fitilaonline](#))

Policy Recommendations

- 1** The new oil field stakeholders must express a commitment to environmentally friendly practices in the new oil drilling areas.
- 2** Government should firmly apply its Petroleum Host Community Trust regulations and ensure that human development issues are properly implemented.
- 3** The government should adopt state-of-the-art artificial intelligence technologies to monitor oil production from the oil well to its distribution points.
- 4** The most decisive step in ensuring integrity and accountability in the oil industry in Nigeria is to identify the culprits behind oil theft and expose and punish them.
- 5** Due to increasing global drift away from hydrocarbon energy, the remedial steps for improving the oil industry need to be taken in the shortest possible time

Oil drilling has commenced in the North East of Nigeria after several years of massive investment, especially by the administration of President Buhari, to find oil in Northern Nigeria. At the end of the frontier oil exploration project, there was a discovery of a large quantity of oil and gas reserves in the Kolmani river basin which lies between Bauchi and Gombe States, Nigeria. The new oil spot is said to have up to [1 billion barrels of crude oil reserve and 500 million cubic feet of natural gas deposit](#). This finding is good news even as hydrocarbons are quickly losing their importance, and the global community is diversifying energy sources. The estimated [phase-out period for fossil fuel and gas production is 2034 for developed countries and 2050 for developing countries](#). Thus, Nigeria can take advantage of the remaining years before the phase-out window for developing countries to build resources for

integration into cleaner energy. Besides and more importantly, the oil drilling experience and the oil economy's overall impact in the Niger Delta should be prevented in the oil fields of North East Nigeria.

The new oil discovery and drilling tend to be promising because it is said to have attracted [\\$3 billion in investment](#) and has a production capacity of about [50,000 barrels per day](#). However, to ensure that these prospects are sustainably harnessed, a few issues about the Niger Delta experience in oil drilling, which bear on the Nigerian crude oil industry, need to be considered for the benefit of the new oil fields and the country's economy. They include environmental protection, human and community development, oil theft, and accountability issues. In terms of environmental degradation, a report of a five-year period between 2015 and 2019 by the [National Oil Spillage Detection Agency](#) reveals 4919 oil spillages in the Niger Delta with a total spilt quantity of 235,206 barrels. Related to human development issues, the coexistence of massive oil wealth side by side with extreme poverty in their communities of operation and the damages suffered by the oil-host communities threw up anger and restiveness among youths in the Niger Delta.

Consequently, the oil-related anger redefined security and petro-business in the Niger Delta through aggressive attacks on oil drilling infrastructure. The relative peace in the Niger Delta at the moment is purchased at a high cost in the form of an amnesty programme for the former militants in the region. In addition, lack of accountability in the quantity of drilled oil, their sales and proceeds due to oil theft by powerful vested interest are sources of integrity challenges to Nigeria's oil sector. In light of these challenges, this issue of Nextier SPD Policy Weekly presents reflections on the issues that must be considered to circumvent the reproduction of the oil-driven crises in the Niger Delta in the North East.

Environmental, Community Development and Accountability Issues in Nigeria's Oil Industry

As Nigeria prepares to expand the spaces of oil drilling in the country, the economic benefits from oil must be balanced against the environmental cost of drilling. The neglect of the human and physical environment caused the by the state and international oil companies brought environmental activists to a collision with

state forces and oil interests, initially with the Ogoni case that led to the assassination of Ken Saro Wiwa. The popularisation of environmentalism via the state murder of Saro Wiwa drew attention to the environmental cost of oil drilling in the Niger Delta. As a result, local and international actors became interested in the ravages of petro-business in the region. [The United Nations Environmental Programme \(UNEP\)](#) undertook scientific research in the case of Ogoni in Rivers state Nigeria and expressed in its 2011 report that there is intense pollution of the soil, surface and underground water as well as air due to oil drilling activities in Ogoniland. The Ogoni case tends to typify the overall experience of the Niger Delta because of a generalized practice of environmental pollution and neglect. Indeed, Nigeria is ranked the most notorious in the world regarding oil spillages arising from deliberate theft and lack of due diligence on environmental concerns. Annually, over [40 million litres](#) are spilt in the Niger Delta, with its attendant destruction to [farmlands, aquatic lives](#), other components of the ecosystem, and peoples' livelihoods. Also, despite the 1979 ban, gas flaring still happens in the Niger Delta. It is noteworthy that the UNEP report recommendation for the clean-up of Ogoniland over ten years ago is yet to be implemented.

The human component of the environment is equally neglected in the Niger Delta experience. Six decades of oil exploration in the Niger Delta were accompanied by creating massive economic wealth for oil companies and the Nigerian state. The region has a lived experience of economic exclusion of the poor by powerful state forces and cohabitation of the abjection in oil-bearing communities with the glamour and opulence of oil companies. In the same oil-bearing communities, education, healthcare, [employment](#) and other human development indices are also subject to neglect. The rise of environmentalism in the 1990s, first with Ken Saro Wiwa and subsequently other groups, led to a massive militancy against the state and petro-business elites by the youths. Some of the security crises in the country, such as kidnapping for ransom and destruction of economic infrastructure, especially the blowing of pipelines and bunkering, gained popularity with youth restiveness and agitations in the Niger Delta. While the Niger Delta issues are yet to be addressed, a new oil drilling space is opened in the North East without a clear strategy of how to circumvent the mistakes of the Niger Delta. Indeed, President

[Buhari](#) drew attention to the need to avoid repeating the same error. Perhaps, given stable conditions, the operations of the new locally-owned oil companies may yield the regulatory effectiveness of the government in the recently gazetted [Nigeria Upstream Petroleum Host Community Development Trust Regulations](#) in line with the Petroleum Industry Act, 2021.

On accountability, Nigeria is said to be losing [6.132 billion gallons](#) of oil to theft annually to powerful elites, including a syndicate of [top military officers, Nigerian National Petroleum Company \(NNPC\) officials](#) and even politicians despite expensive contracts for pipeline security. In some cases, pipelines spanning up to [four kilometres](#) used for oil stealing have lasted for several years without discovery. Equally in the oil theft chain is the illegal refining outfits around the creeks of the Niger Delta and actively contributing to environmental pollution. The government has not taken satisfactory steps to mitigate these setbacks to the sector because of the collision of actors in the government and NNPC. [NNPC is largely opaque](#) in its operations and often fails to provide detailed statistics of crude oil shipped from and refined petroleum brought into Nigeria. Yet the same NNPC, in conjunction with a local oil company, New Nigerian Development Company Limited (NNDC) [owned by the 19 northern states], is to operate the oil fields of the Kolmani river basin.

Considering the above important areas of concern, it would appear that the Kolmani river basin would not be long in yielding another spot for major security concerns and public business challenges. But, of course, the presence of small arms and the prevalence of terror and banditry in the region would simply facilitate a drift because a firm policy direction to correct the previous mistakes of oil drilling in the Niger Delta is not in place. Besides, the environment of the new oil field may combine these challenges with the security volatility of the North East to damage the economic prospects of the oil findings.

Recommendations

Based on the analysis of the core areas of concern about the newly commenced oil drilling in the Kolmani river basin of North East Nigeria, this edition of the Weekly recommends that:

1. The stakeholders in the new oil field must be made to express a commitment to environmentally friendly practices in the new oil drilling areas, preventing pollution and cleaning up the environment should pollution occur by accident. To demonstrate commitment to environmental friendliness, the authorities responsible for cleaning Ogoni land should follow the UNEP report recommendation. They should equally clean up other parts of the Niger Delta destroyed by oil pollution.
2. To run a model oil drilling regime that looks after the community where the operations take place, the government should firmly apply its Petroleum Host Community Trust regulations and ensure that issues of human development are properly implemented to prevent the paradox of coexistence of poverty and opulence in the new oil drilling areas. Centrally, the government should properly implement its 2021 Petroleum Industry Act in this regard.
3. Government should adopt state-of-the-art artificial intelligence technologies for monitoring oil production from the oil well to its various distribution points, and pipeline security should be monitored with remote sensing technology. Also, NNPC statistics on crude oil production and importation of refined crude into the country must be enhanced to ensure public accountability and scrutiny.
4. The most decisive step in ensuring integrity and accountability in the oil industry in Nigeria is to identify the culprits behind oil theft and expose and punish them irrespective of whom they are. This is the guarantee to ensuring an optimally beneficial oil sector to the public.

Nextier SPD Policy Weekly provides an analysis of topical conflict, security, and development issues and proposes recommendations to address them. It is a publication of Nextier SPD.

Nextier SPD (www.nextierspd.com) is an international development consulting firm that uses evidence-based research to develop and build knowledge and skills to enhance human security, peace, and sustainable development as means to achieving stability and prosperity in Nigeria, and in the African region.

5. Taking into account the increasing global drift away from hydrocarbon energy, the remedial steps for improving the oil industry need to be taken in the shortest possible time so that Nigeria can take advantage of whatever little time is left of the developing countries phase out period to draw resources from the oil sector for building the clean energy sector.

Conclusion

To optimize the benefit of the new oil discovery in the North East of Nigeria, the country needs to consider the Niger Delta experience and take preventive measures to avoid creating another environment of conflict induced by petro-business. At the same time, there is a need to continue to engage in remedial measures for environmental restoration and human development in parts of the Niger Delta that

have suffered severe ravages of oil drilling.

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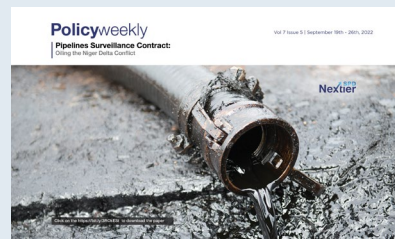
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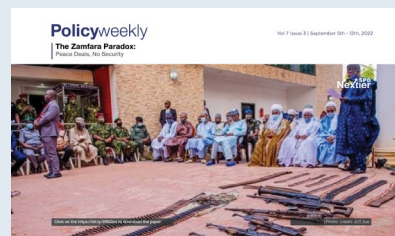
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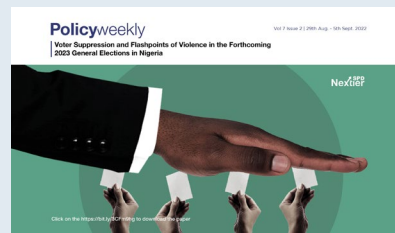
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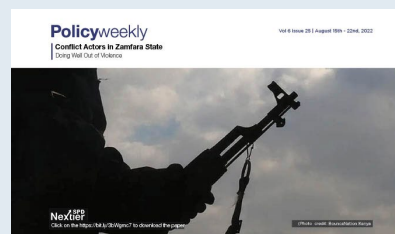
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