



KEYNOTE ADDRESS BY THE COMMISSION CHIEF EXECUTIVE

**NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION
(NUPRC)**

ENGR. GBENGA KOMOLAFE *FNSE*

AT THE

**INAUGURATION OF THE PROJECT COMMITTEE ON REACTIVATION OF
SHUT-IN STRINGS IN NIGERIA**

**AT
THE NUPRC HEADQUARTERS, JABI ABUJA**

23RD JUNE 2022

Protocols

Ladies and Gentlemen, on behalf of the Management and Staff of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), I am greatly honoured and delighted to welcome you all to this inauguration event of the committee that will conduct an industry-wide technical integrated study on reactivation of shut-in strings in Nigeria.

2. As you all know, the nation has suffered significant losses in crude oil production especially in land and swamp terrains due to economic sabotage popularly known as "**crude oil theft**". A major consequence of this nefarious activity, is the declaration of force majeure at Bonny Oil & Gas Terminal (BOGT) and shut-in of wells from fields evacuating through the Nembe Creek Trunk Line (NCTL) and the Trans Niger Pipeline (TNP). A consequential effect of this menace is that the nation only achieved about 60% compliance with Technical Allowable Rate (TAR) and 72% of its assigned OPEC quota.

3. On the other hand, the socio-economic impact of production and associated revenue losses to both government and investors is a deep cause for concern for all stakeholders. The challenges that stem from this issue include: 1) Threat to national and energy security, (2) Erosion of global competitiveness and ease of doing business, (3) Rise in unemployment across the industry, (4) Increase in conflicts due to proliferation of arms, (5) Widespread HSE and community concerns etc.

4. Ladies and gentlemen, in light of these issues and government's production target of three (3) Million barrels of oil per day in three (3) years, the NUPRC has developed regulatory initiatives and optimisation strategies aimed at decreasing this menace to the barest minimum in the short run, and eventual elimination in the long run. The strategies involves various industry stakeholders and cuts across techno-socio-economic and security initiatives. It is my utmost belief that the impact of these joint strategies would be felt across the industry in a few months.

5. Against this backdrop, the initiative to conduct an industry-wide integrated study on the reactivation of shut-in strings was conceptualised in the Commission and approved by me as a low hanging strategy to gain incremental production. Our analysis shows that we have over 3,000 shut-in strings in-country with huge potential to boost production in the short term (i.e six months), mid term (i.e one year) and long term (i.e over a year).

To this end, the committee would be saddled with the following key responsibilities:

- i. Collect and quality check data of all shut-in strings
- ii. Evaluate the basis for shut-in based on subsurface (geology and reservoir engineering) and surface considerations.
- iii. Develop an empirically driven criteria to identify candidate wells for production ramp up in the short, mid and long term.

- iv. Identify and prioritise candidate reservoirs/fields with the potential to increase recovery factor in the short, mid and long term via EOR/IOR interventions.
- v. Develop a robust report with action /implementation steps.

Additionally, the committee would engage industry stakeholders to get their buy-in on this strategic initiative. The committee has a one month period effective today to conclude the study and revert to management with a robust report that will become a working document for the industry in this regard. The Team Lead shall report to the Executive Commissioner, Development and Production on weekly basis for the duration of the study.

6. Distinguished Ladies and Gentlemen, in view of the urgency of this exercise and enormous task ahead, it is my pleasure to inaugurate the committee that will conduct an industry-wide integrated study on reactivation of shut-in strings in Nigeria. Therefore, could members of the committee kindly come forward.

7. Ladies and gentlemen, by the powers vested in me as the Commission Chief Executive, I hereby inaugurate the following officers of the Commission as members of the committee that will conduct an industry-wide integrated study on reactivation of shut-in strings in Nigeria. The officers include the following:

S/N	NAME	DESIGNATION	ROLE
1	Amadasu E.	Deputy Director	Team Lead
2	Georgeson V.U	Manager	Member
3	Atiyegoba B.A	Deputy Manager	Member
4	Dadi M.B	Deputy Chief Geologist	Member
5	Mumuni O.T	Deputy Chief Petr. Engr.	Member
6	Omion O.O	Deputy Chief Petr. Engr.	Member
7	Namtari S.B	Asst. Chief Petr. Engr.	Member
8	Uzoigwe F.F	Asst. Chief Petr. Engr.	Member
9	Mamman J.M	Asst. Chief Geologist	Member
10	Shokoya Y.M	Senior Petroleum Engr.	Secretary

You-all are expected to carry out your mandate with all sense of responsibility and focus bearing in mind the over-arching impact of the study outcome on the socio-economic well being of the nation. I assure you of Management's cooperation and support throughout the study period.

8. Ladies and Gentlemen, this initiative is one of several novel strategies that have been conceptualised in the Commission and would be executed using in-house capacity. Other initiatives shall be unveiled in the coming weeks, it is important to note that the initiatives are the result of enormous in-house brain power and knowledge gathered from decades of regulatory oversight. On this note, I would like to reiterate that the Commission is committed to ensure we work with all stakeholders to create a conducive environment for business to thrive.

Thank you for your attention.