



FOURTH (4TH) NATIONAL COUNCIL ON HYDROCARBONS (NCH)
HELD AT PETROLEUM TECHNOLOGY DEVELOPMENT FUND (PTDF) HEADQUARTERS,
ABUJA FROM 16TH – 17TH DECEMBER, 2019

COMMUNIQUE

The **Fourth (4th) National Council on Hydrocarbons (NCH)** was held on Tuesday **17th December, 2019** at the **Petroleum Technology Development Fund (PTDF) Headquarters, Abuja** under the Chairmanship of the **Honourable Minister of State for Petroleum Resources, H.E. Timipre Sylva**. The theme of the meeting was **“Strategies for Enhancing the Global Competitiveness of Nigeria’s Hydrocarbons Value Chain”**.

2. The Executive Session was attended by State Commissioners for Petroleum Resources, Member of the National Assembly, the Ministry of Petroleum Resources, Heads of Federal and States Departments/Agencies, Representatives of Security Services and Tertiary Institutions. Also present were officials from International Oil Companies, Representatives of Labour Unions, Members of Youth Groups in the Oil Producing States, Professional Bodies and Associations, Non-Governmental Organisations (NGOs) and other relevant stakeholders.

3. In their goodwill messages, Senator Ita Enang, Senior Special Assistant to the President on Niger Delta Affairs advised the NCH to take cognisance that the host communities were still being impoverished while the IOCs keep making profits. He advised that local refiners should be recognised and integrated into the overall refining process. He emphasised that PTDF, NCDMB and the Amnesty Programme have trained the ex-militants on better refining techniques, thus they should be engaged. Goodwill messages also came from Commissioners in charge of Petroleum Resources, representing Bayelsa, Edo and Abia State Governments. The representatives of the Minister of FCT and the ES, PTDF also delivered goodwill messages.

4. The 4th National Council on Hydrocarbons was preceded by the meeting of the experts and stakeholders on hydrocarbons held on **Monday 16th December, 2019** under the Chairmanship of the **Permanent Secretary, Ministry of Petroleum Resources, represented by Engr. Busari Kamoru, Director Overseeing the Office of the Permanent Secretary**.

Abuja, FCT.

5. The Council deliberated on fifteen (15) Memoranda submitted to it and adopted the following resolutions:

- i. the need for stakeholders to be aware of the development and prospects of Nigerian Gas Flare Commercialization Programme (NGFCP) and the efforts being made to realize the objectives of the programme;
- ii. the need to Implement the Presidential Executive Order 5 giving preference to the engagement of duly registered firms/companies and indigenous/expatriate engineering practitioners currently licensed by COREN in planning, design and execution of National Security Projects;
- iii. the need for the establishment of Engineering Regulations Monitoring Unit (ERM) for the Petroleum Resources Industry to ensure the implementation of Executive Order 5 and the COREN Act;
- iv. the need to accord necessary support for early passage of the Nuclear Safety Security and Safeguard (NSSS) Bill;
- v. the need to support NNRA in achieving its mandate of protecting the environment and the enforcement of the Nigerian Naturally Occurring Radioactive Materials (NORM) Regulations 2008 especially on Oil Companies that are not fully compliant;
- vi. the need to make Petroleum Training Institute Effurun in collaboration with other partners in the Industry, a technological hub and co-working space in the oil and gas Industry in Nigeria where oil workers, staff, graduates, business men and women connect, engage, build new digital devices, invent and develop new application;
- vii. the need to encourage Regulatory Agencies and other relevant MDAs to promote a competitive, efficient and transparent domestic LPG market to enhance growth of Nigeria's economy;
- viii. the need to recommend the approval for the development of a pipeline network code to serve as a guiding document for building and protecting pipeline assets in Nigeria;
- ix. the need to recommend to the Ministry of Petroleum Resources and the Infrastructure Concession Regulatory Commission (ICRC), to collaborate with a view to develop a concessioning framework that would spell out the benefits and responsibilities of each stakeholder including the host communities through which pipeline assets right of way (RoW) passes through;

- x. the need to recommend the principle of Public Private Partnership (PPP) in securing funding for building new and managing old pipeline assets in Nigeria;
- xi. the need to consider the crashing of the contracting cycle from 24/36 months to not more than 6 months for maximum profitability;
- xii. the need to recommend continuous dialogue with the host communities for peace in order to minimize vandalism and theft of crude oil;
- xiii. the need to recommend the approval of the strategic roadmap to develop the required capacity in Cost Engineering profession in the Oil and gas Sector and be adopted to fill the capacity gap lacking in the Sector;
- xiv. the need to support the collaboration between FMST and DPR on the possibility of acquisition of marginal field for the pilot 1000 BPD modular refinery;
- xv. the need to support FMST to coordinate the modular refinery pilot scheme in collaboration with MPR, DPR, NNPC, Government of oil producing states and other relevant stakeholders;
- xvi. the need to recommend effective collaboration between the Federal Ministry of Science and Technology, MPR, DPR, NGFCP, NNPC, Quintas Renewable Energy Solutions, Akure and all relevant stakeholders for the sole purpose of utilizing flared gases to drive Quintas technologies for off-grid electricity production;
- xvii. the need to recommend the granting of permission for the siting of the Pilot Steam Power Plant within the confines of the Refineries and flow stations;
- xviii. the need to recommend granting permission for connection to Flare Columns for the diversion of flared gases to the Pilot Steam Power Station, and possible funding mechanism for the Pilot;
- xix. the need to recommend Stakeholders' engagement to develop Petroleum Sector Strategy for Development of Statistics (PSSDS) and that the Ministry and its Agencies should provide fund for its implementation;
- xx. the need to recommend that multinational oil and gas prospecting companies carry out a reshoot of all their previously shot acquired 2D and 3D fields which are mature and have attained their oil peaks in the Niger Delta region of Nigeria;

- xxi. the need to recommend that 4D seismic survey be the minimum threshold for new fields development in Nigeria to minimize the number of initial development wells, optimize phased development wells and permit early field intervention and upgrades to the depletion and reservoir management strategies.
- xxii. the need to recommend upgrade of existing LPG Butanization and building new plants through private sector participation;
- xxiii. the need to recommend early conclusion of the on-going Refineries revamp to ensure commercial production of LPG;
- xxiv. the need to recommend the utilization of idle spaces in the Butanization plants as expansion of storage facilities;
- xxv. the need to recommend effective and efficient LPG transportation network;
- xxvi. the need to recommend the Promotion of local content in the value chain; and
- xxvii. the need to recommend to FEC on the earlier approval by the Council on the establishment of National Hydrocarbon Fund to be managed by the Petroleum Equalization Fund (Management) Board.

6. Council expressed deep appreciation to the Federal Capital Territory Administration (FCTA) and Petroleum Technology Development Fund (PTDF) Management for providing conducive environment that culminated in the successful hosting of the 4th NCH Meeting.

7. Council agreed that the date and venue of the **5th National Council on Hydrocarbons Meeting** will be communicated to members at a later date.

Dated in Abuja,

This Tuesday, 17th December, 2019.

Abuja, FCT.