

Nigeria's Biggest Gas Project to Take Off in Bayelsa

From Segun James in Yenagoa, 05.17.2010, ThisDay

Shell Petroleum Development Company (SPDC) is set to inaugurate Nigeria's biggest integrated oil and gas project in Gbaran-Ubie, Bayelsa State.

The facility has the capacity to produce one billion standard cubic feet of gas and more than 70,000 barrels of oil per day.

The Nigerian National Petroleum Corporation (NNPC) had signed a \$1.69 billion loan deal with Shell in February 2009 to cover its share of investment in the deal.

The Project Manager of the plant Okechukwu Elechi, who disclosed the inauguration to newsmen weekend, said the technical inauguration of the Gbaran-Ubie project which would be undertaken in phases has commenced.

Consequently, Shell said it would commence the supply of gas to the Federal Government-owned Integrated Power Project (IPP) and the Nigeria Liquefied Natural Gas (NLNG) in Bonny, Rivers State in June 2010.

Also to benefit from the supply of gas is the Bayelsa State-owned Imiringi Gas Power Plant.

The plan testing would run for nine to 12 months, Elechi explained. He added that over five wells had been tested at Koroama, Zarama, Kolo Creek and Gbarain in addition to six other wells drilled at Zarama to service the plant.

He disclosed that Shell would continue to deliver on its commitment to the Nigerian content policy of the Federal Government including sustainable community development.

According to him, SPDC is geared towards reducing routine gas flaring. It also intends to contribute immensely to community development in host communities of Niger Delta, he said. The projects would have been completed by the end of last year.

Former Project Manager of the facility, Mr. Graham Henley, had earlier said the project would be ready by the end of 2009.

"The project is 60 per cent completed and ready for commissioning before the end of this year, but there will be no substantial production yet," he had said.

SPDC targets one billion cubic feet of gas a day, and more than 70,000 barrels of oil per day from the project when completed.

The gas fields in which Shell started work in 2005 covers an area of 650 square km in Bayelsa State.

The fields were first discovered in the 1970s, but were not fully developed, because they contained mainly gas, for which the country attached no significance as at that time.

Almost 95 per cent of the workforce in the project are Nigerians and during operations, it is envisaged that an estimated 500 jobs will be created for Nigerians.

The project is a world class development that will supply large volumes of gas to the Nigerian Liquefied Natural Gas and domestic gas market, thereby contributing significantly to the country's oil and gas resources.

The first phase of the project encompasses the Gbaran, Kolo Creek, Etelebou, Koroama and Zarama oil and gas fields.

It involves the drilling of new oil and gas wells, re-entry into existing wells, construction of new flow lines and pipelines, as well as construction of a new Central Processing Facility (CPF) at Gbaran.

The project is a major milestone in the country's oil and gas sector, especially in government's efforts to utilise the country's gas resources effectively.

Shell had disclosed that the gas being flared from the Etelebou and Kolo Creek Fields would be gathered by the project's processing facilities to eliminate flaring in the area and secure current oil production.

According to the company, oil production in the area would be increased through the drilling of 17 new wells in phase one, as well as the elimination of flaring from additional three fields.

The gas project will also supply 80 million standard cubic feet of fuel gas per day to a nearby 225 megawatts power plant being constructed by the Federal Government at Gbaran Ubie, and also feed the Bayelsa State Power Plant at Imiringi.

In a related development, the SPDC yesterday held the maiden edition of "Meet the Listeners Forum of Small Business Today Radio Show" for young entrepreneurs in the state as part of its contribution to the improvement of small businesses and creation of wealth and sustainable employment in the Niger Delta.

Speaking at the occasion held at the Creek Motel in Yenagoa, the SPDC Acting General Manager, Sustainable Development and Community Relations, Mr. Emeka Obi, said the Small Business Today Radio Show was launched in August 2009 to provide through radio, information that would help aspiring entrepreneurs and existing business owners to start and grow their businesses successfully.

He described the programme as timely especially as the country is grappling with major challenges like youth unemployment in the Niger Delta.

He lamented that most people lack the basic knowledge for the sustainable operation of small business.