



Shell in Nigeria

OIL THEFT, SABOTAGE AND SPILLS

Theft and Sabotage

Crude oil theft, sabotage and illegal refining are the main source of pollution in the Niger Delta today. In 2013 the Nigerian government estimated crude oil theft and associated deferred production at over 300,000 barrels of oil per day (bopd). Intentional third-party interference with pipelines and other infrastructure was responsible for around 75% of all oil spill incidents and 92% of all oil volume spilled from facilities operated by the Shell Petroleum Development Company (SPDC) over the last five years (2009-2013). Much greater volumes of oil are discharged into the environment away from SPDC facilities through illegal refining and transportation of stolen crude oil.

In 2013 the number of spills from SPDC operations caused by sabotage and theft increased to 157, compared to 137 in 2012, whilst production losses due to crude oil theft, sabotage and related temporary shutdowns increased by around 75%. On average around 32,000 bopd were stolen from SPDC pipelines and other facilities, whilst the joint venture lost production of around 174,000 bopd due to shutdowns related to theft and other third-party interference. This equates to several billion dollars in revenue losses for the Nigerian government and the joint venture.

Operational spills (those caused by corrosion, equipment failure or human error) accounted for around 15% of the total volume of oil spilled from SPDC facilities in 2013. The number of operational spills over 100kg was 30, down from 36 in 2012 and 63 in 2011. However the volume of oil spilled due to operational causes increased to 0.4 thousand tonnes. Around 0.3 thousand tonnes of this volume was from a single spill.

Impact and Prevention

92%

of all oil volume spilled from SPDC facilities in 2009-13 caused by **theft and sabotage**



300,000 barrels a day

Nigerian government estimate of **crude oil theft** and associated **deferred production** in 2013

 208km
2011

 312km
2012

 250km
2013

Km of pipelines and flow lines replaced



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Prevention

A key priority for SPDC is to achieve its goal of no operational spills. In 2013 we continued work to maintain and replace pipelines and other infrastructure, with 250km of pipelines and flow lines replaced (following 312km completed in 2012 and 208km in 2011). All of SPDC's major facilities have been certified in line with world-class management systems, with safety and integrity verified through regular assessments and audits.

SPDC's entire area of operations is covered by pipeline and asset surveillance contracts to ensure that spills are discovered and responded to as quickly as possible. These surveillance activities primarily employ members of the communities the pipelines traverse. There are also daily overflights of the pipeline network to detect new theft points.

SPDC is continually looking for new ways to make it more difficult for thieves, for example by burying new pipelines deeper or covering them with concrete, securing well heads to make them more tamper proof, making repairs and removing illegal taps. Despite these efforts the menace of theft and sabotage persists, with long-term social, economic and environmental implications. Only a concerted response by all stakeholders, including government, communities and civil society can end it.

Response

When a leak is confirmed, production is suspended in order to stop the flow of oil into the environment. Efforts are made to contain the spill, with access to the spill site usually a critical factor in shaping the response.

There have been instances where individuals, community groups or armed gangs have denied SPDC access to spill sites. The reasons for this range from intra-communal disputes to demands for clean-up contracts and/or higher compensation or plain criminal activity. In line with government regulation, a joint investigation team visits the spill site as quickly as possible (subject to access and security requirements) to establish the cause and volume of oil spill.

ONLY A CONCERTED RESPONSE BY ALL STAKEHOLDERS, INCLUDING GOVERNMENT, COMMUNITIES AND CIVIL SOCIETY CAN END THE MENACE OF CRUDE OIL THEFT.

The team is led by the operating company and includes representatives of the regulatory bodies and the Ministry of Environment. Officers of the Nigerian Police Force, the relevant state government personnel and impacted communities also attend. Civil society members are invited to join these joint investigation visits as observers to the process.

SPDC PUBLISHES DATA ON ALL SPILLS FROM ITS FACILITIES AND PROVIDES WEEKLY PROGRESS UPDATES, INVESTIGATION REPORTS AND PHOTOGRAPHS.

Cleanup and remediation

SPDC cleans and remediates the area impacted by spills from its facilities, irrespective of the cause. In the case of operational spills SPDC pays compensation to those impacted, as stipulated by Nigerian law.

Each clean-up begins with the removal of surface oil and affected vegetation. This is followed by the longer-term process of environmental remediation, which is aimed at restoring the site to its previous state. Once clean-up and remediation are completed, the work is inspected, approved and certified by government regulators.

Of 167 sites in need of remediation identified at the start of 2013, SPDC had cleaned over 85% by the end of the year. Due to increased access to Ogoniland we were able to make progress on verifying the condition of non-operating equipment and facilities, as recommended by the United Nations Environment Programme (see separate UNEP briefing note). This identified 125 additional sites in need of remediation in this region. Combined with an increase in theft and sabotage related spills inside and outside Ogoniland during the year this resulted in an increase in the total number of sites requiring remediation to 303 at the end of 2013.

Transparency

SPDC has publicly reported oil spill statistics annually since 1995 and since 2011 has operated an Oil Spills Data website which publishes data on all spills from SPDC JV facilities and provides weekly progress updates, investigation reports and photographs. This website can be accessed at www.shellnigeria.com/spills. SPDC is the only oil and gas company in Nigeria that publishes spills data in this way.