

Shell in Nigeria

Environmental performance

Managing oil spills

The Shell Petroleum Development Company (SPDC) is committed to taking all reasonable action to avoid oil spills and reduce environmental impacts from our operations in the Niger Delta. Unfortunately 70% of all oil spills over the last five years has been the result of sabotage to our facilities.

Though we undertake to stop the cause of leaks, clean up the oil and remediate the impacted areas as fast as possible, this takes a significant toll on the environment. In 2008, saboteurs spilled almost 48,000 barrels of oil in 140 incidents – on average one leak every two and a half days. About 40,000 barrels of this was the result of armed gangs blowing up pipelines with explosives in 10 separate incidents.

The volume of a spill is often made significantly greater because communities frequently delay SPDC teams from getting access to the site to stop the leak and start the clean up. This happened more than 40 times in 2008. According to our own estimations – based on flow rates from the damaged pipelines – 13,000 extra barrels of oil were spilled in 2008 as a result.





These incidents create significant risks for people and the environment. They halt the production of oil and reduce revenues to the government, the people of the country and our joint venture partners. We are working with communities to avoid this by establishing better contacts and involving them in monitoring SPDC facilities in their area. More than 30 major communities benefited from these surveillance contracts in 2008.

In 2008, as in previous years, our ability to accurately estimate the volume of oil spilled is limited to areas where we have safe access for our staff. The current breakdown of law and order in many parts of the delta limits that access.

Where spills are caused by operational failure we are working to improve our performance. In 2008, 53 spills involving 8,325 barrels (about 15% of the total volume spilled) were the result of the failure of equipment, corrosion or human error. This is a significantly lower volume than the previous year (11,723 barrels). Two incidents made up well over half the volume spilled. Both were on the Trans Niger Pipeline (TNP) near the Bodo community in Ogoni land spilling 4,140 barrels. They were caused by a weld defect and corrosion.

When an oil spill occurs a joint investigation team (JIT) – comprising representatives from impacted communities, the government and SPDC – is mobilised as fast as possible. For all spills that are within our control to prevent, the JIT assesses the extent of damage and negotiates compensation between the company and affected landowners. Nigerian law discourages payment of compensation in cases of sabotage. The JIT investigation establishes why the spill occurred.

Whatever the cause, SPDC is committed to cleaning up spills and remediating the land. Once complete, the work is inspected, approved and certified by the joint government and SPDC inspection team. We have researched and adopted a technique for cleaning up oil spills that we believe to be the most effective for the soil and climate conditions in the equatorial heat of the Niger Delta. We add nutrients that stimulate the natural microbes in the soil. These feed on the oil and break it down.

In 2008, we continued our programme to clean up and remediate oil spills that happened before 2005 – completing seven more sites. By year-end we had completed 68 of the 74 outstanding pre-2005 spill sites.

To prevent operational spills we operate an integrity management programme, designed to ensure that equipment and infrastructure are kept in good condition. In 2008 we replaced 278 kilometres of flowlines – the pipes that carry oil from the wells to processing facilities. All of SPDC's major facilities have been independently certified to international (ISO 14001) standards, and are verified through regular independent assessments and audits.

More information on Shell's operations in Nigeria can be found at www.shellnigeria.com.