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Nigerian Marginal Oilfield Development Program: PIA and Current Issues

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Abstract

Despite the shift towards renewable energy, crude oil has continued to account for a large part of the global energy consumption, leading to the rapid depletion of crude oil volumes from mature fields. Hence, it is necessary to maximize the production of this essential commodity. Marginal fields are estimated to currently represent between 30% and 40% of world oil production and are gaining importance due to the natural decline in production from large mature fields. In general, most fields with low-abundant reserves, poor economic performance, high cost and technical difficulty in development are called marginal fields or small fields. However, with regards to the Nigerian petroleum industry, abandoned fields previously operated by international oil companies are alluded to as marginal. In this study, an extensive review of previously reported marginal oil field practices is provided. In addition, following the recent passage of the Petroleum Industry Act (PIA) and the successful completion of the 2020 marginal field bid round, this work examines the current legal

framework for the development of marginal oilfields in Nigeria. It also reviews other pertinent issues in the industry affecting the marginal field initiative.

Keywords

- **Marginal oil fields**
- **Local content policy**
- **Petroleum profit tax**
- **Petroleum industry bill**
- **Legal and regulatory framework**

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