



## CHEVRON PARTNERS LONADEK ON HUMAN CAPITAL DEVELOPMENT IN DRILLING AND COMPLETION

Lonadek Nigeria Limited, a firm of local content consultants, confirms that the company has been engaged by Chevron Nigeria Limited (CNL), operator of the joint venture between the Nigerian National Petroleum Corporation (NNPC) and CNL- NNPC/CNL JV- to implement a comprehensive, robust, collaborative and multi-stakeholder Human Capacity Development Initiative (HCDI) in Drilling and Completions. This is in compliance with the requirements of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act, 2010 (NOGICD Act) and relevant guidelines of the Nigerian Content Development and Monitoring Board (NCDMB) aimed at ensuring that primary consideration is given to Nigerians with respect to employment and training during the execution of projects. Therefore, CNL and Lonadek Nigeria Limited organized a collaborative HCDI workshop titled: “**Competency Development in Drilling and Completions: Challenges and Opportunities**” to address the skills deficiency in Drilling and Completions (D&C) in Nigeria.

The workshop focused on competency development in D&C and was attended by various stakeholders including NCDMB, Bank of Industry (BOI), Department of Petroleum Resources (DPR), National Petroleum Investment Management Services (NAPIMS), International Oil Companies (IOCs), service providers in the oil and gas industry, and associations such as the Nigerian Society of Engineers (NSE), and the International Association of Drilling Contractors (IADC) etc.

Issues discussed at the interactive workshop included: Drilling and Completions challenges and gaps, closing the gaps, competency development programs that Nigeria should run locally, Nigerian drilling talent management (locally and globally), harnessing and harmonizing local talents for sustainable development, maximizing and optimizing the available assets through local content development amongst others. Critical issues and ideas to curb the challenges relating to human capacity development and retention in the oil and gas sector with particular reference to D&C were also broadly discussed and roadmaps for improvement, up-skilling and development of local capacity were outlined. CNL’s efforts in developing local capacity for material supply that meets international standards were highlighted. An example is the value CNL is creating in Benue State through the significant investment in mining of barite. Limestone was also discussed as part of local material supply for drilling mud and cementing.

The interactive workshop with industry thought-leaders submitted the following recommendations and requirements:

- A public-private partnership initiative to develop a Centre of Excellence (CoE) in D&C in a prime tertiary institution in the country.
- A call for collaborative efforts amongst stakeholders to build D&C competence in Nigeria to further strengthen and accelerate human capacity development in D&C.
- The need for documentation of past experiences in the industry, institution of industry-faculty collaboration and update of the curriculum in Nigerian universities.
- Emphasis to be placed on strategic planning and examining the value chain in D&C activities, for the possibility of local sourcing of inputs like barite and cement to reduce D&C costs.
- Training programs should be robust enough to ensure the development of D&C personnel from one level to another in their professional careers. Stakeholders should enhance the policy framework that manages and tracks records of trained individuals.
- A strategic plan must be developed to increase D&C activity levels in the Nigerian oil and gas industry to the level it was in 2012 - 2013. Increased rig count is vital for effective human capital development and to meet Nigeria’s aspiration to achieve 4 million barrels per day oil production and reserves of 40 billion barrels.
- Investment in barite, base oil and bentonite clay production to enhance local content, provide jobs and reduce the amount of foreign exchange expended on drilling fluids. Operators must be encouraged to improve the process of producing high quality barite (4.2 specific gravity) and to also invest in the research and development of base oil due to its importance in the oil and gas industry.
- The rig count reduction in 2016 was not completely attributable to the oil price slump but was rather a combination of factors, which includes the increased sabotage and militancy in the Niger Delta that resulted in a significant shortfall in crude oil production. The Federal Government should continue to encourage new investments in the oil industry which will help increase rig count in the coming years and in turn bring about human capacity development in D&C.
- The strategy for NCDMB human capacity development in mining and D&C such as direct intervention and project-based training and exposure of trainees to intensive hands-on experience, establishment of CoE in mining and drilling, collaboration with relevant stakeholders, development and enhancement of training standards in mining and drilling operations must be in accordance with industry standards and global best practices.
- Key components of competency management for HCDI should include competency management methodology, industry standard competency library, blended learning solutions (instructor- led training, e-learning, mentoring, hands-on workshop, internship) and competency management tool.
- Funding, downturn in exploration and drilling operations and lack of stakeholder collaboration are some of the challenges being faced by NCDMB in the implementation of HCDI.

The next step of the CNL initiative is to identify key stakeholders in the implementation phase whilst identifying the higher institutions of learning that are well-positioned, willing and available to be upgraded in to a world-class Centre of Excellence with a potential to be ranked as a top 100 Faculty within five years.