

GOOGLE NEWS QUERY: NUPRC · NIGERIA

NUPRC warns Nigeria licence holders on dormant assets

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Nigeria's upstream petroleum regulator, the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), has issued a formal caution to oil licence holders over dormant assets, signalling a regulatory push to compel activity on undeveloped or inactive blocks across the country.

The warning reflects a growing impatience within Nigerian regulatory circles with licence holders who have secured acreage but failed to progress exploration or production activity. Dormant assets tie up acreage that could otherwise be transferred to operators willing to invest, and the NUPRC's caution suggests the regulator may be preparing to enforce use-it-or-lose-it provisions available under the Petroleum Industry Act (PIA), which provides the legal framework for licence revocation or non-renewal in cases of non-performance.

For the Nigerian upstream sector, the timing matters. Nigeria has struggled to arrest a multi-year decline in oil production, and regulators have identified stalled assets as one lever available to boost output without requiring new licensing rounds. By pressuring existing holders to either develop their acreage or relinquish it, the NUPRC is signalling that the era of passive licence holding is closing. This posture is consistent with broader PIA implementation, which introduced stricter performance timelines and financial commitments tied to licence retention.

The practical consequence, if the NUPRC follows through, would be a wave of relinquished or reassigned blocks entering a new licensing or farmout process. That scenario would represent a material opportunity for both new entrants and service

companies positioned ahead of any fresh drilling or field development activity. However, at this stage the regulator has issued a caution — not a revocation order or a licensing round announcement — so the market impact remains prospective.

For international service companies monitoring Nigeria, the NUPRC's stance is a leading indicator worth tracking. If dormant licences are revoked and reassigned over the coming twelve to twenty-four months, the downstream consequence would be exploration drilling campaigns, field appraisal work, and eventually development planning on acreage that has seen little or no recent activity. The nature of that work — whether onshore, shallow-water, or deepwater — will depend on which assets are ultimately affected, details not yet disclosed in the regulator's caution.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor this regulatory development closely but hold off on any procurement or partner outreach until NUPRC moves beyond caution to concrete licence reassignments, farmout processes, or new licensing rounds. If dormant blocks are revoked and re-awarded, they could generate fresh drilling, well services, and field development demand — particularly valuable given Nigeria's production decline. Saga Advisory recommends tracking NUPRC enforcement actions over the next 12-24 months and preparing relationship-building with likely new licence recipients.

PARTNER ANGLES

- **Drilling:** Reassigned dormant blocks would likely require exploration and appraisal drilling campaigns — monitor for new licence holders who will need rig contracts and well-planning services.
- **Well Services:** Reactivated assets with little or no production history may require well intervention, integrity assessment, and workover services before any development drilling begins.
- **Subsea/FPSO:** If offshore dormant blocks are among those targeted, future development planning could create FPSO leasing or subsea tie-back opportunities worth tracking at an early stage.

- **Pipeline:** Onshore dormant assets brought back into production would need evacuation infrastructure, potentially creating pipeline engineering and construction opportunities downstream.

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