

OIL FIELD AFRICA REVIEW · NIGERIA

Nigeria revokes idle licences, targets 3mmbpd by 2030

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Nigeria's Upstream Petroleum Regulatory Commission (NUPRC) has issued a revocation deadline for idle oil and gas licences, signalling enforcement of the 'Drill or Drop' policy embedded in the Petroleum Industry Act (PIA) 2021. The announcement was made in Lagos by NUPRC Chief Executive Mrs. Oritsemeyiwa Eyesan, who reaffirmed the Federal Ministry of Petroleum's commitment to reaching a national production target of 3 million barrels per day by 2030.

The NUPRC's move targets licence holders who have failed to progress development activities on their blocks. Under the PIA 2021's 'Drill or Drop' mandate, operators that cannot demonstrate credible work programmes face losing their acreage. New holders of Petroleum Prospecting Licences (PPLs) are collectively expected to contribute an incremental 250,000 barrels per day to national output, a figure the regulator is treating as a near-term deliverable rather than an aspirational metric.

Nigeria's production has lagged well below its OPEC quota in recent years, hobbled by crude theft, pipeline sabotage, underinvestment, and stalled field developments. The PIA 2021 was designed in part to address exactly this stagnation by forcing licence holders to either commit capital or relinquish acreage to operators willing to drill. The NUPRC's decision to now enforce the deadline publicly signals a shift from regulatory tolerance to active portfolio management, and potentially opens a fresh round of acreage redistribution as idle blocks are reclaimed and retendered.

For the upstream supply chain, the consequence is straightforward: if the 250,000 bpd target from new PPL holders is to be realised on any credible timeline before

2030, new drilling campaigns, well services work, and associated infrastructure will need to be mobilised. The scale and pace of that activity will depend on how quickly reissued licences attract committed operators with funded work programmes, but the regulatory signal is now unambiguous. Companies monitoring Nigerian market entry or expansion have a clearer policy framework to reference when engaging IOCs, independents, and indigenous operators active in the country.

Why this matters to partners and clients of Saga

This is a regulatory enforcement action and licensing-round precursor — no contracts have been signed and no tenders are open, so Norwegian service companies should monitor closely and begin relationship-building rather than procurement outreach. Partners should map which blocks are at risk of revocation and identify the incoming PPL holders most likely to need drilling and well-services support to meet their work-programme obligations. When reissued acreage is formally awarded and operators announce funded programmes, that is the trigger for targeted commercial engagement.

PARTNER ANGLES

- **Drilling:** New PPL holders will need drilling rigs and well-services packages to satisfy PIA work-programme requirements — track which operators receive reissued licences and pre-position rig availability discussions.
- **Subsea/FPSO:** If idle deepwater or shallow-water blocks are redistributed to better-capitalised operators, early FPSO and subsea concept studies could follow — monitor acreage outcomes before committing BD resources.
- **Pipeline:** Incremental production from new PPL holders will require export-route solutions; pipeline integrity and tie-in services may be needed once field development plans are filed with NUPRC.
- **Service:** Seismic reprocessing, reservoir studies, and well-planning services are likely the first spend from new licence holders establishing technical baselines on formerly idle blocks.

[Original source: Oil Field Africa Review →](#)

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