



The 'Fate' of oil well 1 in the economic history of Nigeria

Azibalua Onyaghola

Department of Philosophy, Faculty of Arts, Niger Delta University, Nigeria

Abstract

This study examines the fate of oil well one (1) in the economic history of Nigeria. It adopted textual and expository analysis. The findings of the study revealed that despite the fact that the discovery of crude oil at Itokopiri near Oloibiri in Ogbia local government area of Bayelsa State in 1956 which has become the mainstay in the economic history of Nigeria. The area still remains backwards in terms of development. Oil well one (1) also changes the agrarian nature of the Nigerian peoples to a monocultural economy of crude oil from oil well one (1). Therefore it concluded that SPDC should as a deliberate corporate social responsibilities policy embark especially without the involvement of these citizens/governments of the area embark on a visible, reliable and landmark projects to make future generation realize the fact that oil well one (1) is fundamental to the greatness of Nigeria.

Keywords: crude oil, oil well one (1), itokopiri, oloibiri, kolo creek

Introduction

Before the colonization of Nigeria by the British beginning with the ceding of Lagos by King Kosoko in 1861, the "geographic expression" to use Chief Obafemi Awolowo's words now called Nigeria dependent solely on agricultural produce for its survival and sustenance.

Even before Lord Lugard amalgamated the Northern and southern protectorates on January 1, 1914, the protectorates were mainly concerned with the production of agricultural produce for the same purpose as stated earlier. Some of the areas were concerned with the production of raw materials for their personal uses. This is due to the fact that Nigeria was not yet an independent nation that have to export its natural resources for foreign exchange. What happened was the pillage of the natural resources by the colonial masters for their home countries.

Besides, at amalgamation and the subsequent regionalization of Nigeria by Lord Richard, each of the regions relied on the natural resources of which it had comparative advantage among the regions. For the north, they were more concerned with groundnut and allied products which brought about the popular *GROUNDNUT PYRAMIDS*, the Western region with cocoa which brought about the building of the popular *COCOA HOUSE* at Ibadan, the Mid-Western region with timber, rubber, coal and the Southern part with predominantly palm produce. These products produced by the different regions were used by the various regions to develop its region due to the fiscal federal system adopted in Nigeria and strengthened by the constitution then. It is as a result of this fiscal federalism and revenue allocation formula adopted that the regions had eighty percent 80% of the allocations that made some regions grow faster than other areas of Nigeria. Also, it is as a result of the system of government and revenue allocation formula to the component units that necessitated Chief Obafemi Awolowo to establish the first television station in Nigeria in particular and Africa in general. He also built the *COCOA HOUSE* as stated earlier in Ibadan; the tallest building then in Ibadan; capital of the Western Region.

With the reliance of Nigeria mainly on agricultural produce, Nigeria was able to obtain foreign exchange earnings from the proceeds of these natural resources and each of the region developed according to its pace with the dominant products in its geographical area. These agricultural products became the mainstay of Nigeria's economy until the 1950s when crude oil was discovered.

Oil Well One (1)

Oil well one (1) popularly referred to as the first oil well was discovered and drilled in commercial quantities by Shell B.P in 1956 at *ITOKOPIRI* in a land owned by Otagabi and partly owned by Otuogidi in the present Ogbia local government area of Bayelsa state in the Niger Delta region of Nigeria.

This oil well discovered in commercial quantities was the first oil well to be discovered in the whole of West Africa. Shell petroleum development company (SPDC) limited is Nigeria's biggest oil and gas company. It holds a major share in the NNPC/Shell/Agip/ELF joint venture. It is also a pioneer in the gas and oil industry in Nigeria. Shell in one of its calendar publications states that:

The shell Petroleum Development Company of Nigeria limited (SPDC) is the largest oil and gas exploration and production company in Nigeria. It is the operator of a joint venture in which NNPC holds 55%, Shell 30%, TEPNL 10% and Agip 5%. SPDC produces over 40% of the country's oil from 60 producing oil fields in the Niger delta area. It also supplies about 20 % of the country's commercial gas (n.pg).

Shell is involved in both upstream and downstream activities in the oil and gas industry in Nigeria.

Fate of Oil Well One (1) in the Economic History of Nigeria

In Nigeria about 90% of SPDC's activities take place in the nine political Niger Delta of Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Rivers, Ondo, Imo and Abia States and particularly the three Geo-Historical Niger Delta States of Bayelsa, Delta and Rivers States. The Niger delta is located in the central part of southern Nigeria. It is made up of six (6) states which now formed the South-South geo political region of Nigeria –Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers states.

The Niger Delta is one of the largest wetlands in the world. It covers an area of 70,000 square kilometers and consists of a number of characterized ecological zones: sandy coastal ridge barriers, blackish or saline mangroves, fresh water, and permanent and seasonal swamps forest. It witnessed only rainy and dry seasons. The region has a total population of about seven (7) million approximately and they are subsistence farmers in mainly fishing in inland waters nearby and offshore and are rural farmers. Further on the position of the Niger Delta in Nigeria. Nyananyo states thus: The Niger Delta –the cartographic Niger Delta (not the political Niger Delta) as is Africa's largest delta covering some 70,000 square kilometers. The delta has been formed from waters brought down by the two rivers system of the Niger and Benue. These river systems meet at Lokoja, the confluence and flow together as one river. At Ebuito, this new river breaks out into three rivers systems of Forcados, nun and sombrei. It is the triangular area covered by these river systems that is the cartographic Niger Delta, Forcados to the west, Nun in the centre and Sombreiro to the east. Consequently, Ebuito is the most northern most tip of the cartographic Niger Delta. There are therefore only three (3) Niger Delta states in the present political dispensation: Delta in the west, Bayelsa in the centre and Rivers in the east. (B.L Nyananyo, 2008) In addition to the above, at present, the Niger Delta region of Nigeria has a population of about 45 million people distributed in over 3,000 communities. The region is one of the largest wetlands in the world; it covers an area of 70,000 square kilometers. The Niger Delta is the second largest of the ten (10) major Deltas in the world and largest in Africa (cited by Charles, 2012: 8 in Nseabasi, 2010, Etekpe, 2009 and Ogomudia report, 2001). The region is home to about 140 different ethnic groups. That apart, the geographical features of the Niger Delta where oil well one (1) fell into could be classified into four (4) – upper flood plain bounded to the east and west by bluffs, 60-120m above sea level, lower-flood plain –which is underline near the surface by a thick layer of fine sand, silt and clay and is less than 5 meters above the sea level, covering 4.40 square kilometers, vegetated tidal flats –found less than one meter above sea level with Mangrove Rhizophona, and Racemosa, covering about 10,240 square kilometers, and barriers islands –which fringe the coastline from Benin River in the west to the Andoni River in the east. The islands range in length between 5 and 37 kilometers and width from few meters to more than 10 kilometers, with a maximum elevation range of 2-4 meters above sea level (Popoola Report, 1999 cited by Charles, 2012: 8-9).

The Niger Delta where oil well one (1) is discovered by SPDC and by extension where SPDC and Nigeria generates its wealth is characterized by a six (6) month (April-October) rainy season. Nearly three quarters of the area is covered by water, and the remaining is largely made of swampy land which is usually flooded for about 4 months in the year due to over flowing waters of the lower Niger (Ibaba, 2015: 4). Shell petroleum development company of Nigeria limited's area of operations in the Niger Delta spread over 20,000 square kilometers in the land, swamp and shallow waters area. To support this position, SPDC in one of its publications states thus:

SPDC's operations are spread over about 20,000 square kilometers in the land, swamp and shallow water areas of the Niger Delta. They include a network of a little over 6,000 kilometers of flow lines and pipelines, about 60 producing oil fields, approximately 700 producing oil wells, 60 flow stations, 7 gas plants and 2 major oil export terminals at Bonny and Forcados. The company is capable of producing an average of 90,000, boe/d (n.pg). SPDC's operations spread almost all over the region. Although the company's operations are widespread, its footprints impact directly in only a tiny fraction of the Niger Delta.

Besides, with the achievement of Shell B.P now Shell Petroleum Development Company Limited (SPDC) at Itokopiri in Ogbia local government area, other multinational oil companies flooded into Nigeria for licenses from the Nigeria government to engage in geological surveys for the exploration and production of crude oil and gas in Nigeria. With the emergence of other multinational oil and gas companies, Nigeria ushered into the booming of oil world with astronomical proceeds in Nigeria. These multinational oil companies that came into Nigeria after SPDC are Agip, ELF, Texaco, Mobile etc. However, these oil and gas companies are privately owned mainly for profit maximization motives. These companies diversified to other areas of operations and activities in the oil and gas industry companies as subsidiary companies. With these subsidiary companies in place, oil and gas now became the major earner of Nigeria's foreign exchange; relying mostly on oil and oil related activities/investments for foreign exchange earning thereby abandoning the traditional agriculture which was the mainstay of the Nigeria economy.

Also, since these oil giants are mainly for profit making, it diversified its operations by having other subsidiaries. The SPDC now has Shell Nigeria Gas Limited incorporated on the 30th of march, 1998; The Nigeria Liquefied Natural Gas Company in partnership with Shell accounts for approximately 10% of the worlds' total LNG capacity and export to global markets, Shell Nigeria exploration and production company (SNEPCO) incorporated in the 24th of February, 1993 was licensed to operate deep-water and onshore under production sharing contract (PSC) signed with NNPC. The deep-water licenses are located in water depth of 150-500 meters while the onshore areas are located in the Gingola basin in North-East of Nigeria.

The first major deep-water discovery in Nigeria was at Bonga-1 exploration well (in OPL 212) which was drilled between 1995 and 1996 which resulted in a commercial discovery. SNEPCO has drilled five other wells in deep-water offshore since Bonga-1 (Arugu, 2005: 51) The Shell Nigeria Exploration and Production Company

(SNEPCO) started producing oil and gas at Bonga, 120km offshore in 1,000 plus meters of water. SNEPCO is also a venture partner in the Erha deep water oil and gas project (43,75%) operated by Exxon Mobile and Zabazaba/Eton deep water oil and gas project (50%) operated by ENI Agip in 2005.

Shell Nigeria Gas Limited another subsidiary of SPDC was formed to promote gas utilization as a cheaper, more reliable and cleaner fuel alternative and feedstock for industries. It is an attempt to diversify the productive base of the oil industry by Shell. To state it clearly, shell in its 2014 edition of its yearly calendar to mark the 50 years anniversary of Nigeria states about its subsidiaries and interests in Nigeria thus:

SNEPCO, 100% owned by shell, was formed to develop Nigeria's deep water oil and gas resources offshore –the new frontier for the country's energy industry at the time. It signed a production sharing contract with NNPC that year to operate two deep water licenses, in partnership with Exxon mobile, Total and Agip. The company produces oil and gas and has made some significant discoveries. The first of this –Bonga is Nigeria's first major deep water oil and gas project for which SNEPCO is the operator and the majority venture partner. It started production in November 2005 and has the capacity to produce more than 200,000 boe/d and 150 million standard cubic feet of gas per day (n.pg). Besides, concerning the area of gas and gas related activities, shell formed the Nigeria liquefied Gas Company (NLNG) Ltd and it states its position in this sphere thus:

NLNG was incorporated as a limited liability company in 1989 to harness Nigeria's vast natural gas resources and to produce LNG and natural gas liquids for export. Shell holds a 25.6% interest in NLNG together with NNPC (49%), Total LNG Nigeria limited (1.5%) and ENI NA (10.4%). With the completion of a sixth production train in December, 2007, the plant at Bonny island has an overall capacity of some 220 million tons a year of LNG and up to 5 million tons of natural gas liquids (LPG and condensate). It accounts for approximately 7% of the world's total LNP capacity and is well positioned to serve the European and North American markets. SPDC is the major suppliers of gas to the NLNG plant. The company operates to world class technical standards and has achieved a number of firsts. These include supplying LPG to the domestic market and via its subsidiaries NLNG shipping and manning limited and Bonny gas transport limited (BGT)developing the crews that run the LNG ships owned by BGT (n.pg).

Still on the subsidiaries and interest of SPDC in Nigeria, shell as one on its interest, formed the shell Nigeria gas limited (SNG) as one of its subsidiaries. And to sum up the operations and feats of SNG, shell states succinctly: SNG wholly –owned by shell was incorporated in march, 1998 to promote gas as a more reliable cleaner and cost effective alternative to liquid fuels for the Nigeria domestic market. Its customer base is growing as more industries are converting equipment to run on natural gas. Other companies are moving to areas where SNG operates because they want to use gas too. SNG currently operates a gas transmission and distribution network of approximately 115km. It operates several gas distribution systems including the ones at Agbara –Ota (Ogun state), Ogor Hill Industrial area of Aba (Abia state) and Port Harcourt (Rivers state) serving over 70 industrial customers. The plant in ota has a capacity of 42 million standard cubic feet per day and supplies customers in the industrial parks at Agbara, Igbesa and Ota (Ogun state) (n.pg).

Other subsidiary oil and gas related companies floated by the oil giants in Nigeria are the ones owned by the Nigeria Agip oil company like Agip Energy and Natural Resources (AENR). This company is executing the service contract with NNPC in OML 116 located in shallow waters (65 meters) offshore Niger Delta. In 1981, AENR discovered Agbara field located about 45 kilometers offshore Nigeria. AENR signed another service contract with NPDC (an NNPC subsidiary) in December 2000, to finance and jointly conduct the operations in the Okono/Okpoho field's development project in the OML 119 (former OPL 91).

Another subsidiary of NAOC is the Nigerian Agip Exploration NAE was incorporated in 1996 by Eni to manage Nigerian deep Offshore Exploration and Production assets. NAE as at 2013has interests in six (6) offshore blocks in Nigeria both as operator (OML125, OML 134, OPL 2009 and OPL 245) and co-venture partner (OML118 and OML 135).

For Mobile oil corporations it owned a subsidiary called Mobile Producing Nigeria Limited. Mobile oil is mainly for exploration and production while mobile producing is for the servicing and marketing of mobile oil, oil and gas related matters. The diversification of the multinational oil and gas company to other areas of businesses to maximize profit to controlling the Nigerian economy points to the fact that if oil well one (1) was not discovered, the influx of oil and gas companies into Nigeria should have been zero. Even the companies having greater output and interest to invest more in other areas of the Nigeria economy should have not had any way forward. Today the Nigerian economy is serviced by the oil and gas industry mostly. It earned from this industry about 90% of its foreign exchange. And Nigeria is seen as a main exporter of crude oil and gas in the world as a result of oil well one (1).

Related to the Nigerian economy is the fact that even as far as running the Nigeria national budget for the year, it relies mostly in the world oil market price to fund the country's budget by setting a benchmark of the oil price in the world oil market with which it can finance both its capital and recurrent expenditures.

It is from oil and gas earnings that the Nigerian state could conveniently use to finance all its policies and programmes. This is why the oil and gas industry is very attractive and lucrative to all sectors of the Nigerian economy and shades of people in the society in Nigeria. Every Dick and Harry want its offspring to read a gas and oil related course and to work in a gas and oil multinational company or its subsidiaries as well as government oil and gas related companies or parastatals thereby abandoning all other areas of the economy. To encourage this trend government of Nigeria with deliberate government policies and programmes has decided to encourage by awarding scholarships to Nigerians reading oil and gas related courses in the universities either locally or internationally to boost and encourage the growth of the oil and gas industry in Nigeria to pursue a sort of Nigerianization policy. This trend has now made parents and all educationally oriented people to pushing their children/wards to studying oil and gas related disciplines in the higher institutions so as to have a share in the oil

and gas proceeds. Why this upsurge to the oil and gas industry, it is because of oil well one (1). Even in the bureaucratic circles, civil servants and politicians alike tend to shift to oil and gas related positions and responsibilities. This is because it is assumed that at the end of the day, it must attract heavy pockets and a lavished/flamboyant living standard. This is evident especially when some leaders assume office; they personally control the oil and gas industry and the sector official portfolios because that is the focal point and the critical sector of the Nigerian economy. That is why presidents of Nigeria in some situations man the ministry of petroleum resources so that they could benefit from it and in addition control the billions of dollar that accrues to the nation in this oil and gas industry. Typical examples are: Chief Olusegun Obasanjo and President Muhammadu Buhari. All these actions and decisions arose as a result of *OIL WELL ONE (1)*.

Interestingly, 99% of the economic big-wigs/captain of industry in Nigeria attained their wealth or economic power/status from oil and gas related positions or investments either in the public/private sectors of their lives. All these feats/achievements in life by Nigerians are as a result of oil well one (1).

Infrastructurally, most if not all of the public buildings, schools, health institutions, roads, even Abuja, the federal capital of Nigeria are the bye products of oil and gas. All these credits and statues go to oil well one (1). But despite the contributions of oil well one (1) to the Nigerian economy, the people of Nigeria, the statues of Nigeria in the world as the giant of Africa and Africa been its centre-piece in foreign policy and its investments abroad, what is the position and statues of oil well one (1) since it came to limelight in 1956 in the whole of west Africa in terms of oil and gas as the pioneer oil well? What has the Nigerian state done for oil well one (1)? Has oil well one (1) been seen and handled as a giant landmark in Nigeria by the Nigerian government, SPDC, and other multinational oil and gas companies as well as individuals who have benefited either directly or indirectly, locally or internationally from oil well one (1)? The story of Oil and *OIL WELL ONE (1)* could be seen in the light of a woman who during her productive years has produced all the children God gave her. All the children grown up and been blessed by God and this lady is abandoned by the husband and children to wallow in poverty and die disgracefully. This is the position of oil well one (1) which is referred to popularly and idiomatically as the goose that lays the golden egg (oil and gas) in Nigeria and has been abandoned by all the stakeholders in the oil and gas industry.

The state of abandoning of oil well one (1) can be fully appreciated and acknowledged if we have a brief look at the environmental degradation, exploitation and pollution of the area since 1956. The land at *OIL WELL ONE (1)* was degraded, exploited, polluted and sterilized by shell B.P and its activities to the level that no crop of any kind grows fruitfully. The polluted environment including both terrestrial creatures and plants as well as aquatic creatures and plants have been affected and in some cases decimated to oblivion because the trees have a different species that is injurious to man's health. Okoko, KAB in his introduction to the journal of oil and politics (special edition) states thus:

This involves a lot of activities which impact directly on the ecology of the host communities. Oil on ocean surface is harmful to many forms of aquatic life because crude oil contains thousands of different chemical compounds –many of them toxic –including benzene, toluene and polycyclic aromatic hydrocarbons (PAH's). Both PAH's and benzene are known to be carcinogenic and no safe threshold has been determined for human exposure (2)

Also stating further on the effect of oil explorations and activities in the environment of host communities in the Niger Delta, Okoko states that:

The levels observed in the communities are capable of causing direct i.e. that affects to a variety of aquatic species, crustacean, fish eggs, benthic invertebrates and fish larvae are the most sensitive and are likely to be the more severely affected. This is because it prevents sufficient amounts of sunlight from penetrating and also reduces the level of dissolved oxygen. Moreover, crude oil renders feathers and spills ineffective, so that birds and fish may die from direct contact with the oil itself, thus destroying the flora and fauna as well as disturbing the natural balance in the ecosystem (2)

That notwithstanding, however on the health hazards of oil and gas in the water and aquatic creatures on man, Okoko states succinctly thus:

the low oxygen in water will induce physiological strengthening in the organisms which in human consumption, may eventually lead to death, because the oil contains many toxic chemicals: including benzene, toluene, xylene, and polycyclic aromatic hydro carbons (PHA). These are very toxic and fish and other aquatics store mercury in their brain, without metabolizing it. Man in turn could eat such contaminated fish. The primary producer of this will yield fish and non-fish catch such as the phytoplankton (5).

Also emphasizing in the health hazards consequences and implications of oil and gas especially in gas flaring in the people and the environment, Efe writes:

The gas flaring harms local health through emissions that have been linked to cancers, asthma, chronic bronchitis, blood disorders, and other disease. These human health problems effects the people of oil producing communities, such as the Niger Delta where 30 million people live with little to no health care access (166).

Stating further on the same issue, Efe explain that:

Gas flaring causes acid rain which impacts soil fertility and is associated with reduced crop yields, causing hunger in the Niger Delta where fish populations already have declined due to pollution by oil companies, including chevron. Acid rain eats through villager's roof that protects local residents from rain. Impoverished villagers have little means to replace their roofs more frequently (167). Apart from the effect of the oil and gas flaring in our ecosystems and on host communities roofing sheets, related to the environment is the activities of shell B.P at oil well one (1) has now made the land to be barren in that the chemicals used, and the various categories of the pipes and metals as well as the metal-related materials that were abandoned by shell

B.P has now been a hindrance to the people for good farming activities to take place. Some of these abandoned scrapes are even injurious to the health and lives of the host communities and land owners because you cannot move in the area freely with bare-footed and even with shoes, it has to be shoes well made with strong leather materials –jungle boots –that are imperious to these abandoned metallic materials which the host communities and its inhabitants could not afford to get for themselves. On the social life of the people where oil well one (1) was discovered, the activities of shell B.P made the young girls and women in the host communities to bear children with half parentage because most of these oil workers had love affairs with the natives and abandoned the young girls to bear the hardship of carrying a baby for 9 or 10 months alone with no man responsible for the pregnancy. This scenario has created a situation whereby most of the children of the natives to oil well one (1) host have no known paternal lineage. And this has been a hard nut to crack for such parents because of the problem that the oil workers created for the ladies and the communities. And this problem has lingered and still lingering for such families and communities were such a situation took place till date.

Today, oil well one (1) with all the other fourteen (14) oil wells and the helicopter landing pad are shrouded in a thick forest that has now turn to a virgin forest with no activities/operation. The activities/operations in this forest/Itokopiri is only meant for spirits, gods/goddesses, birds, worms, reptiles, antelopes and other species of animals. Sometimes, one wonders whether in reality this abandoned forest is the place where the goose that lays the golden egg (crude oil and gas) was first discovered in the whole of West Africa. Whether really this is the exact location where the touch light of Nigeria's greatness was lifted, whether really, this is the place exact/precise location where 95% of the Nigerian highways, airports, seaports, skyscrapers, billionaires and millionaires as well as the new cities/ capital cities especially Abuja got its roots. This is because the graveyard/cemeterical native of oil well one (1) defies the claim that oil well one (1) was the first oil well discovered in commercial quantities in the whole of West Africa.

Infrastructurally, oil well one (1) is neither accessible by road nor water because there is no access road while the creek –Kolo creek is overgrown with weeds especially the water hyacinth. Even the helicopter landing pad used and abandoned by shell B.P during the heydays of oil well one (1) at Itokopiri is in the forest that nobody know where it is apart from the natives that have farm lands around the vicinity of the pad. The issue is why can't the oil multinational giants especially SPDC of Nigeria and the Nigerian government replicate on what is obtainable in Lagos, Abuja and all other parts of the country in terms of development since it is oil well one (1) that lit the light of Nigeria greatness with its dependence on oil and gas in earning foreign exchange that accounts for 95% of its foreign exchange? Why is it that no government in Nigeria takes practical steps and a deliberate government policy to keep Itokopiri a world class area for Posterity? Could it be seen as a deliberate government policy to abandon oil well one (1) so that it could only be read in books and not seen and felt in reality? These and many more questions are begging for answers.

In another related issue is the creation of states in Nigeria. The agitation for state and local government council creation in Nigeria is premised in the fact that oil and gas is the main sustainers of the Nigeria economy. That is the Nigeria economy relied mostly on oil and gas. For that everybody is struggling to get its share of the now commonly referred to as the *NATIONAL CAKE* from oil. This so –called national cake, Ibaba S. Ibaba (2017) ^[2] in his Inauguration lecture titled: "*Mopping the wet floor while overlooking the leaking roof: Rethinking peace building in the Niger Delta*" refers to the national cake which is public fund as *BUSH MEAT*. Each of the states and local government councils in Nigeria relies mostly from the money that accrues to the federation accounts from oil and gas. This is why all the states and local government councils depend solely on the monthly share of the oil and gas money mostly from the federal government through the monthly meeting of the Federation Accounts Allocation Commission (FAAC) for the running of the governments at all levels in the federal government serving as a father. This is promise on the fact that oil and gas is majorly owned and controlled by the federal government even though this crude oil and gas is found in the communities that made up the states. This ownership and control of oil and gas resources by the Nigerian state is necessitated, aided, abetted and authorized by the petroleum act and the land use act which empowered the Nigerian state to have absolute control and management of all the natural resources above the Nigerian space, below the Nigeria soil and surprisingly offshore of the Nigerian territorial waters. Again, it is because of this oil started by oil well one (1) that led to the formation and implementation of the various revenue allocation formulas in Nigeria which has ever remained contentious. Nna and Ibaba in the crisis and development in the Niger Delta: selected works of Kimse Okoko states thus:

Revenue allocation is a very serious issue in federal politics like Nigeria. Here it remains one of the most contentious issues between 1946 and 1980; the revenue allocation formula was reviewed eight times. These are the Phillipson commission of 1953, Raisman commission of 1958, and Binns commission of 1967, Dinna commission of 1968, the Aboyade technical committee of 1977 and the Okigbo commission of 1980. Most of this revenue allocation commission had coincided with constitutional changes in Nigeria. This derives in large part of the importance attached to revenue allocation. These commissions had recommended the application of various principles ranging from derivations to even development, needs, population and natural interest (2015: 54) cited in Yekini, S. politics of revenue allocation in Nigeria). In addition to all these revenue allocation formulas, around 1988/89, the Babangida administration set up another committee headed by Lt. Gen Theophilus Yakubu Danjuma (Rtd) to fashion out a new revenue allocation formula for the Nigerian federation which was approved by the armed forces ruling council and has been functional since then.

Conclusion and Recommendations

In concluding our work on oil well one (1), it is pertinent for us to recapitulate some of the salient points raised in the work which is the fact that oil well one (1) at Itokopiri in Otabagi near Oloibiri is the first successful oil

well discovered and drilled in commercial quantities in the whole of west Africa in 1956. And that the goose that lays the golden egg (crude oil and gas) has been allowed to go into oblivion despite its place in the economic jugular of Nigeria.

That aside oil well one (1) is shrouded/clothe in the thick equatorial forest of Itokopiri Ogbia local government area of Bayelsa state with the numerous devastations to the social structures, environment and health as well as the economy of the area. Oil well one (1) has been forgotten and abandoned by SPDC of Nigeria, multinational oil and gas giants and all levels of government in Nigeria. It only appears in the books, journals, reports, and archives of the oil and gas companies and industries in Nigeria. But nobody remembers *OIL WELL ONE (1)* in reality. *OIL WELL ONE (1)* dug the streams, rivers, rivulets, seas and oceans of oil and gas in Nigeria but has been driven and dumped aside and allowed to wallow in poverty and die because of the conscious and deliberate neglect from SPDC and all levels of government due to high level of corruption.

Though SPDC of Nigeria is a private business outfit formed to maximize profit; it has through its social corporate responsibilities intervene in different projects and programmes to the host communities.

Again the multinational oil giants cannot operate out the regulations and the various agreement and MOU's it has entered into with the Nigerian government. That apart, the accusation of MNOC's by the host communities/areas of operations, the oil companies have responded that it must abide by government regulations in its explorations, and the production of crude oil and other subsidiaries in its operations. And that it is the responsibility of government to provide social amenities for the host communities due to the fact that they pay their royalties to the government. The position of the oil companies especially shell petroleum development company of Nigeria – is made clear when Arugu states:

The SPDC has also responded to demands for development by the communities; it contends that it is a business outfit, and that as a corporate body it abides by government regulations. To this end, it pays taxes to government, and as a representatives of the people, it is the duty of government to provide development infrastructure to the people. However, as a responsible corporate body, it has spent millions of naira on country development. (2013: 57).

Truly, the multinational oil giants especially SPDC has done a lot for the host communities of oil well one (1) even today for the development of the area. But the effort of SPDC is not felt visibly despite the huge resources sunk in the area due largely to corruption. It is the position of this paper to recommend that despite all these contributions by SPDC, oil well one (1) still remains in the forest for still unknown reasons. For that SPDC should as a deliberate corporate social responsibilities policy embark especially without the involvement of these citizens/governments of the area embark on a visible, reliable and landmark projects to make future generation realize the fact that oil well one (1) is fundamental to the greatness of Nigeria.

This could be the resuscitation of the oil museum conceived and foundation laid by the Shehu Shagari administration since 1982 by Dr. Alex A. Ekwueme as vice president. The foundation was laid after Alhaji Shehu Shagari had visited oil well one (1) at Itokopiri. This will serve as a remembrance for Nigerians, Africa and the world. This project when completed will serve as a tourist centre and attraction in the area. And if possible moneys realized from the tourist to the museum site would be used by SPDC and re-circled for the maintenance of the museum. This would also help in the generation of employment for the restive youths of the area in Ogbia and Bayelsa state in general. This complex should house the hotels, lodgings, recreational facilities and instructional facilities that would be beneficiary to tourists. The helicopter landing pad in the forest should be reactivated to an airship for tourists to the site. This complex should be connected with a strong and clean double highway that tourists from afar and near could have access to it and leave whenever they like without any hindrances of any kind. Alternatively, the government of Nigeria and Bayelsa state could instruct all oil companies to jointly embark on landmark projects that would either directly or indirectly impact on the lives of the people apart from the ones suggestions in this work which are obtainable in their parent countries. *OIL WELL ONE (1)* deserves much more special attention and treatment in Nigeria by the Nigerian government, SPDC and all other multinational oil and gas giants commensurate to its contributions to Nigeria and Nigeria as well as the oil and gas giants because of its landmark achievement and as the standard bearer in the oil and gas industry to the mainstay of the Nigerian economy.

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