

PETROLEUM IN CHAD 2001

1. NEW PETROLEUM PROJECT IN CHAD

The petroleum industry of Chad has become an important sector of the economy of that country. It does not currently produce petroleum, but discoveries of oil fields suggest the possibility of drilling of 300 shafts in the Doba region and the production of 150,000 barrels of crude per day.

The zone of the new petroleum project is found in terrain irrigated by the Pandé River and its tributaries, the Loule and the Nya. The vegetation is savannah bush as well as traditional crops (cotton, sorghum, mojo, arachide, yucca, and various legumes and shrubs). A large portion of the land is swampy. There are also forested regions. Chad's economic base is agriculture, cotton being the principle agricultural product for exportation. The development of the new oil fields completely relies on the construction of the Chad-Cameroon oil pipeline. The estimated reserves are one thousand million barrels.

Besides three oil fields with approximately 300 shafts, the project also includes 3 storage stations, a treatment station, an electrical center, a landing strip, workers camps, construction of 500 km of roads, 3 fire stations and 170 km of oil pipeline (1050 km is the total from the port and maritime terminus in Cameroon).

Petroleum exploration in Chad began in the '70s in the Doba region and in the Lake Chad basin by the Chevron, Conoco, ExxonMobil and Shell consortium. In the Lake region the fields are the Sedigi, Kanem and Kumia and in the Doba region the principal ones are Miandoum and Kome. The explorative work was suspended due to the civil war initiated in 1979. After the withdrawal of Conoco from the country, Exxon took charge of operations and discovered the Bolobo field in 1989. Chevron sold its participation to Elf Aquitaine in 1993.

Chad's principle reserves are found in four sedimentary basins in the south of the country, and in a small basin to the north of Lake Chad.

Since 1996, all hydrocarbon activity has been concentrated in the construction of the oil pipeline that runs from Chad to the coast of Cameroon. This project carries a cost of 3,500 million dollars. The pipeline project has been delayed in its execution due to financial problems, as well as pressure on the part of national and international organizations.

The Chad-Cameroon oil pipeline will transport 150,000 to 250,000 barrels of crude daily from the Kome, Miandoum and Bolobo fields.

Of the 3,700 million dollars that the pipeline costs, the World Bank will provide 93 million (53.4 million for Cameroon and 39.5 million for Chad). 100 million is a credit from the IFC (International Finance Corporation) to the companies that form the Joint Venture for the construction of the pipeline. Additionally, the IFC will mobilize 300 million dollars in credits from commercial banks. The remaining sum will come from the consortium companies, credit agencies and, possibly, bonds.

The development of the project in Doba, including the pipeline, has revived interest in the Sedigi project as well as in the Lake Chad region, whose reserves are approximately 150 million high quality barrels. This project includes the construction of secondary ducts that will carry the petroleum to the new N'Djamena refinery.

Other exploration activities have continued apart from the Doba project. In 1999, three companies, Trinity Gas and Carlton Energy of the United States as well as Nigerian Oriental Energy Resources, signed an accord with the government of Chad to explore the 430,000 km² Block H.

The Population:

The southern region of Chad is populated by the Saras, Massas, Mundanis and Hakkas communities, which are primarily agricultural. The project zone contains a population of approximately 28,000 inhabitants, belonging to the Bero, Komé, and Miandoum districts. The regions of Timberi, Gadjibian, Bessao, Mont de Lam and Mbassay are in the trajectory zone of the pipeline. Totalling all the districts gives a population of approximately 68,000 people. The pipeline will cross 64 villages.

Chad is a country primarily of desert, and the Doba region is one of the few cultivatable regions of the country and the source of food for the majority of the country's 7 million inhabitants. In Chad, the project is found close to the Timberi Forest Reserve and the Laramanay Wildlife Reserve.

Beyond the loss of biodiversity and a large forest surface due to the petroleum project, many illnesses such as cholera, malaria, meningitis, tuberculosis, typhoid, and yellow fever will recrudescence, among other social and environmental impacts.

The rural organizations of the EPOZOP (Entente des Populations de la Zone Pétrolière) and various NGOs have organized for the first time to solicit information on the project due to the extreme secretism which surrounds it. EPOZOP encompasses the population of nine affected districts as well as that of six others through which the pipeline will travel.

Once the information was obtained, an extensive information and conscientization campaign about the social and environmental impacts of the

petroleum companies was begun. Thanks to these actions a 5-year suspension of these activities has been achieved.

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