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OIL PIPELINES ACT

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[NOTE.- The measurements used in this Act are Imperial measurements; and they are to be converted into metric measurements as and when required.]

An Act to make provision for licences to be granted for the establishment and maintenance of pipelines incidental and supplementary to oil fields and oil mining, and for purposes ancillary to such pipelines.

[1956 No. 31.1965 No. 24.]

[4th October, 1956]

[Commencement.]

PART I

Preliminary

1. Short title and extent

This Act may be cited as the Oil Pipelines Act and shall apply throughout the Federation.

2. Interpretation

In this Act, unless the context otherwise requires-

"licence" means an oil pipeline licence granted under the provisions of this Act;

"Minister" means the Minister charged with responsibility for matters relating to oil-fields and oil mining;

"oil pipeline" has the meaning given to it in section 11 (2) of this Act.

3. Power to grant permit to survey and oil pipeline licence

The Minister may, subject to the provisions of this Act grant-

- (a) permits to survey routes for oil pipelines; and
- (b) licences to construct, maintain and operate oil pipelines:

Provided that each licence shall be issued in respect of and authorise the construction, maintenance and operation of one pipeline only.

PART II

Permit to survey

4. Permit to survey

(1) Any person may make an application to the Minister in accordance with the provisions of this Act and of any regulations made thereunder for the grant of a permit to survey the route for an oil pipeline for the transport of mineral oil, natural gas, or any product of such oil or such gas to any point of destination to which such person requires such oil, gas or product to be transported for any purpose connected with petroleum trade or operations.

(2) Every application for a permit to survey shall specify the approximate route or alternative routes proposed.

(3) The Minister may-

(a) grant the permit to survey on payment of the fees required by section 31 of this Act to be paid by the applicant on the submission of the application and on grant of the permit to survey respectively; or

(b) for reasons which to him appear sufficient, refuse to grant the permit to survey.

(4) If the Minister refuses to grant the permit to survey he shall notify the applicant in writing of such refusal and the reasons therefore.

5. Effect of permit to survey

(1) A permit to survey shall entitle the holder, subject to the provisions of section 6 of this Act, to enter together with his officers, agents, workmen or other servants and with any necessary equipment or vehicles, on any land upon the route specified in the permit or reasonably close to such route for the following purposes-

(a) to survey and take levels of the land;

(b) to dig and bore into the soil and subsoil;

(c) to cut and remove such trees and other vegetation as may impede the purposes specified in this subsection; and

(d) to do all other acts necessary to ascertain the suitability of the land for the establishment of an oil pipeline or ancillary installations,
and shall entitle the holder, with such persons, equipment or vehicles as aforesaid, to pass

over land adjacent to such route to the extent that such may be necessary or convenient for the purpose of obtaining access to land upon the route specified.

(2) The Minister may, upon application by the holder of a permit to survey, vary the route specified in such permit, but such variation shall not invalidate or make illegal any act done by the holder pursuant to the permit prior to such variation, nor prejudice the rights of any person under this Act with reference to any act done by the holder pursuant to the permit prior to such variation.

6. Notice before entry, damage, compensation, etc.

(1) Except with the previous consent of the owner or occupier, no person shall under the authority of section 5 of this Act enter any building or upon any enclosed court or garden attached to any building, without previously having given the owner or occupier at least fourteen days' notice of his intention to do so, nor enter upon any cultivated land without having given such notice to the owners or occupiers thereof or having affixed such notice in some prominent position upon such land.

(2) No person shall under the authority of section 5 of this Act enter any of the lands described in section 15 of this Act except with the prior assent of the owners or occupiers or persons in charge of such lands.

(3) The holder of a permit to survey acting under the authority of section 5 of this Act shall take all reasonable steps to avoid unnecessary damage to any land entered upon and any buildings, crops or profitable trees thereon, and shall make compensation to the owners or occupiers for any damage done under such authority and not made good.

(4) In the event of dispute as to the amount of compensation to be paid or as to whether or to whom any compensation shall be paid, the provisions of Part IV of this Act shall apply.

PART III

Oil pipeline licence

7. Oil pipeline licence

(1) The holder of a permit to survey may make an application to the Minister in accordance with the provisions of this Act and of any regulations made thereunder for the grant of an oil pipeline licence in respect of any oil pipeline the survey of the route for which has been completed by the applicant.

(2) The Minister may-

(a) grant the licence on payment of the fees required by section 31 of this Act to be paid by the applicant on the submission of the application and on the grant of the licence respectively; or

(b) for reasons which the Minister considers sufficient, refuse to grant the licence.

(3) If the Minister refuses to grant the licence, he shall notify the applicant in writing of such refusal and the reasons therefore.

(4) No person other than the holder of a licence shall construct, maintain or operate an oil pipeline.

(5) Every person who acts in contravention of subsection (4) shall be guilty of an offence and shall be liable on conviction to a term of imprisonment not exceeding two years or to a fine not exceeding ₦1,000 or to both such imprisonment and such fine.

(6) The Minister may require any person who is convicted of an offence under this section to have the pipeline in respect of which the offence was committed and any ancillary installation removed to the extent that the Minister does not elect to purchase such pipeline or any such installation or any part thereof; and in the event of failure to agree on the purchase price the same shall be determined by arbitration.

(7) An offender who is required by the Minister under subsection (6) of this section to have a pipeline or any ancillary installation removed shall make good any damage done to any land by such removal.

8. Application for licence and notice thereof

(1) An applicant for a licence shall deliver to the Minister an application for the same stating the terminal points and giving a description of the pipeline and accompanied by a plan of the proposed route of the pipeline sufficient to identify the land affected thereby and the position of any pumping stations, tanks or other ancillary installations.

(2) The Minister shall upon receipt of the application under subsection (1) of this section appoint a date not less than six weeks ahead for the hearing of objections, if any, and shall nominate the person or persons by whom and the place or places at which any such objections shall be heard, and shall thereupon cause a notification of such date and other particulars and of the places at which objections shall be lodged to be made in the *Federal Gazette* and in the *Gazette* of each State concerned.

(3) Before or upon application being made in accordance with subsection (1) of this section notice of the application shall be given by the applicant in the following manner-

(a) by publication thereof in the State *Gazette* of each State through which the route of the projected pipeline passes;

(b) by publication thereof in such newspapers circulating in the areas through which the route of the projected pipeline passes as the Minister may require;

(c) by posting or delivering the same to the following persons entitled to be carrying on operations in the area which would be affected by the grant of a licence-

(i) holders of exclusive prospecting licences, mining rights, oil exploration licences, and oil prospecting licences;

(ii) lessees of mining leases, temporary mining leases or oil mining leases;

(d) by publication in areas likely to be affected by the licence in such other manner as the Minister may direct,

and by delivering to administrative officers having responsibilities in such area or to such other officers as the Minister may specify such numbers of copies of such notice as the Minister may require for distribution to the occupiers or owners of land in the area so affected who might not otherwise become aware of such notice.

(4) Such notice shall contain a description of the proposed pipeline and its route and the proposed ancillary installations and shall set out a list of places and times at which copies of a plan sufficient to identify the land affected thereby may be inspected; and each copy of such notice shall require that objections (if any) shall be made at least seven days before the date to be appointed by the Minister for the hearing of objections and delivered at the places to be appointed by him for such lodgment.

9. Notice of objection

(1) Any person whose land or interest in land may be injuriously affected by the grant of a licence may within the period specified for objections lodge verbally or in writing at one of the specified addresses notice of objection stating the interest of the objector and the grounds of objection.

(2) Matters relating to *quantum* of compensation shall not be material grounds to include a notice of objection under this section.

(3) It shall be the duty of any public officer who receives a verbal objection in the course of his duties to record the name and address, interest and grounds of objection of any person lodging such a verbal objection in accordance with this section.

10. Inquiry and report thereafter

(1) Upon the date fixed for the hearing of objections, the person or persons appointed by the Minister shall inquire into any such objections, giving all parties concerned an opportunity to be heard, and a report thereof shall be made without delay to the Minister.

(2) Matters relating to *quantum* of compensation shall not be material grounds for objection under this section.

(3) If, after consideration of the report, the Minister considers that the licence should be granted he shall inform the President accordingly; but if the Minister considers that a licence should not be granted in respect of the proposed route or any part of it, he shall so inform the applicant and the objector or objectors concerned, and thereupon the applicant shall be entitled to receive a permit to survey such other route or routes as he may propose or to submit an application for a licence in respect of another route and the provisions of Parts II and III of this Act will apply in respect thereof.

11. Rights and obligations of the holder of a licence

(1) A licence shall entitle the holder, his officers, agents, workmen or other servants with any necessary equipment or vehicles, subject to the provisions of sections 14, 15 and 16 of this Act, to enter upon, take possession of or use a strip of land of a width not exceeding 200 feet or of such other width or widths as may be specified in the licence upon the route specified in the licence, and thereon thereover or thereunder to construct, maintain and operate an oil pipeline and ancillary installations.

(2) For the purpose of this Act, an oil pipeline means a pipeline for the conveyance of mineral oils, natural gas and any of their derivatives or components, and also any substance (including steam and water) used or intended to be used in the production or refining or conveying of mineral oils, natural gas, and any of their derivatives or components.

(3) The power to construct, maintain and operate an oil pipeline shall include a power to construct, maintain and operate on the route of such pipeline all other installations (referred to in this Act as "ancillary installations") that are ancillary to the construction, maintenance and operation of such pipeline, including road ways, telephone and telegraph lines (subject to section 4 of the Telegraphs Act), electric power cables (subject to the provisions of the Electricity Act), pumping stations, storage tanks and loading terminals.

[Cap. 195 1958 Edition. Cap. E7.]

(4) The holder of a licence shall have power to dig and get free of charge any gravel, sand, clay, stone or other similar substance (not being a mineral within the meaning assigned thereto in the Minerals and Mining Act) within any land included within the area covered by the licence to the extent that such gravel, sand, clay, stone or other substance, will facilitate the construction or maintenance of a pipeline or any ancillary installation.

[Cap. MI2.]

(5) The holder of a licence shall pay compensation-

(a) to any person whose land or interest in land (whether or not it is land in respect of which the licence has been granted) is injuriously affected by the exercise of the right conferred by the licence, for any such injurious affection not otherwise made good; and

(b) to any person suffering damage by reason of any neglect on the part of the holder or his agents, servants or workmen to protect, maintain or repair any work, structure or thing executed under the licence, for any such damage not otherwise made good; and

(c) to any person suffering damage (other than on account of his own default or on account of the malicious act of a third person) as a consequence of any breakage of or leakage from the pipeline or an ancillary installation, for any such damage not otherwise made good,

and if the amount of such compensation is not agreed between any such person and the holder, it shall be fixed by a court in accordance with Part IV of this Act.

(6) For the removal of doubt it is hereby declared that the powers granted to the holder of a licence under this Act shall be exercisable only subject to the provisions of this Act and of any other enactment or rule of law.

12. Power to impose restriction on use of adjoining lands

(1) It shall be lawful for the President upon application by the holder of a licence at the time of the grant of such licence or at any time thereafter, to make an order ancillary to such licence prohibiting or restricting the construction of any building or type of building, or the carrying on of any cultivation or industrial or mining or oil mining activity or any specified type of cultivation or industrial or mining or oil mining activity within a specified distance, not exceeding 100 feet, from the boundaries of the land or of any part of the land in respect of which such licence is granted.

(2) An order made in accordance with the provisions of this section shall be deemed to be part of the licence to which it is ancillary and the provisions of this Act shall apply accordingly, and in the event of an application for such an order being made after the

grant of the licence to which it is ancillary, the provisions of sections 8, 9 and 10 of this Act shall apply as though the application were for a new licence.

13. Deviations

(1) The right to make a deviation from the route specified in the licence may be granted at any time by the President either by amendment of the licence or by a new licence.

(2) Sections 8, 9 and 10 of this Act shall apply to an application in respect of a deviation from the route specified in the licence as though it were an application for a new licence:

Provided that where the Minister thinks fit, the Minister may approve in respect of minor deviations an agreement reached between the holder of the licence and any person or persons whose land or interest in land may be injuriously affected by such minor deviations.

(3) The grant of the right to make a deviation under this section shall not invalidate or make illegal any act done by the holder of the licence prior to such grant, nor prejudice the rights of any person under this Act with reference to any act done by the holder prior to such grant.

14. Restrictions in respect of certain public facilities

A licence shall not, except so far as may be expressly permitted by the terms of the licence, authorise the holder to-

(a) construct any works upon any land which is the site of or is within fifty yards of any public road, dam, reservoir or building belonging to or occupied by the Federal or a State Government or local government, or upon any land appropriated for any railway or situate within 100 yards of any railway; or

(b) make such alteration in the flow of water in any navigable waterway, or construct such works in, under or over any navigable waterway, as might obstruct or interfere with the free and safe passage of vessels, canoes or other craft; or

(c) construct such works in, under or over, or deposit such material in or make such alteration in the flow of water required for domestic, industrial or irrigational use as would diminish or restrict the quantity of water available for such purpose, or construct such works or make such deposit in any waterway as would cause flooding or erosion,

without the prior permission in writing of the Minister or of such officer as may be nominated by the Minister.

15. Restrictions upon entry in respect of venerated land

(1) A licence shall not authorise any person to enter upon, take possession of or use any of the following lands unless the owners or occupiers or the persons in charge thereof have given their prior assent-

(a) any land occupied by any burial ground or cemetery;

(b) any land containing any grave, grotto, area, tree or thing held to be sacred or the object of veneration.

(2) If any doubt shall arise whether any lands fall within those described in this section, or who the owners or occupiers or persons in charge thereof are, the decision of the High Court shall be final.

16. Obligations in respect of accommodation works

(1) The holder of a licence shall make and maintain for the accommodation of the owners or occupiers of any land in respect of which the licence has been granted or of the owners or occupiers of adjoining land or for the accommodation of the users of any customary track or path, such crossings, bridges, culverts, drains or passages as may be necessary for the purpose of making good any interruption to the use of such land or the amenities thereof or to the use of such customary track or path caused by the exercise of the powers granted in accordance with this Act:

Provided that it shall not be necessary to make good any interruption in respect of which compensation under this Act has been paid:

Provided further that upon accommodation works being provided in accordance with the provisions of this section no further accommodation works shall be necessary in respect of any change of use of any land or deviation of any track or path or any other act or omission of any person not being the holder of the licence or his agent, workman or servant.

(2) The holder of a licence may for the purpose of exercising the powers conferred upon him, alter the level or position of any pipe, conduit, watercourse, drain, or electric, telephone or telegraph wire or post, but shall give reasonable notice of his intention so to do to the person in control thereof and shall execute the work to the reasonable satisfaction of that person.

(3) Where there is a danger that a tree standing near an oil pipeline may fall and damage such pipeline or an ancillary installation, the holder of the licence may after giving notice to an administrative officer having responsibility in the area, fell the tree or otherwise deal with it, and in such event shall upon application by any person interested in the tree pay such compensation as such officer shall consider necessary.

17. Terms and conditions of licences

(1) A licence may be granted for such period not exceeding twenty years as the Minister may direct.

(2) Nothing in subsection (1) of this section shall affect the validity of any licence granted before the commencement of this Act for a period exceeding twenty years and every such licence shall, unless earlier revoked, be valid for the period for which it was granted.

(3) The holder of a licence may at any time during the term of the licence determine the licence in respect of all or any part of the land included therein by giving to the Minister not less than three months' previous notice in writing to that effect.

(4) Every licence shall be subject to the provisions contained in this Act as in force at the date of its grant and to such regulations concerning public safety, the avoidance of interference with works of public utility in, over and under the land included in the licence and the prevention of pollution of such land or any waters as may from time to time be in force.

(5) In the absence of express provision to the contrary, a licence shall be deemed to include the following conditions to be performed and observed by the holder-

(a) to commence the construction of an oil pipeline within a period to be specified by the Minister and to complete the same and all necessary ancillary installations with reasonable despatch, and to maintain the same during the currency of the licence;

(b) to allow free access to any public officer authorised by or on behalf of the Minister in writing, to enter and inspect any work, structure or thing made or done in accordance with the licence;

(c) to indemnify the Minister against any claims arising from injury to any person or damage to any public or private property as a result of any act or thing done by the holder of the licence or his agents, servants or workmen in accordance with the licence;

(d) not to assign, sublet, mortgage or otherwise part with the licence or any right or interest there under without the previous consent in writing of the Minister.

(6) Every licence shall be deemed to include a provision that any question or dispute arising between the President or the Minister and the holder of the licence regarding the licence or any matter connected therewith shall, if it cannot be resolved by agreement, be referred to arbitration.

18. Use of oil pipeline by a person other than the owner

(1) An application may be made to the Minister with respect to an oil pipeline constructed, maintained and operated in pursuance of a licence granted under this Act by any person other than the owner of the pipeline who seeks a right to have conveyed by the pipeline on his behalf any of the things mentioned in subsection (2) of section 11 of this Act which the pipeline is designed to convey.

(2) Every such application shall be made in the prescribed manner and form containing the prescribed particulars.

(3) The Minister shall consider every such application in consultation with the applicant and the owner of the pipeline to which the application relates.

(4) If upon such consideration the Minister is satisfied that the pipeline could, without prejudice to the proper and efficient operation thereof for the purpose of the conveyance on behalf of the owner, in the quantity required by him, of the thing which it is designed to convey, be so operated as to permit of the conveyance thereby on behalf of the applicant of the thing the right to the conveyance of which is sought by the applicant, the Minister shall declare that he is so satisfied.

(5) Subject to the subsequent provisions of this section, the conditions of the use of the pipeline by the applicant may be determined by agreement between the owner and the applicant and, failing such agreement, shall, subject as aforesaid, be determined by the Minister.

(6) Where the Minister makes under subsection (4) of this section a declaration with regard to a pipeline, he may by notice served on the owner impose such requirements as he thinks it necessary or expedient to impose for all or any of the following purposes,

namely-

(a) securing to the person whose application resulted in the making of the declaration the right to have conveyed by the pipeline the thing to which the application is related;

(b) regulating the charge to be made for the conveyance of such thing by the pipeline on behalf of that person;

(c) securing that the exercise of a right secured by virtue of paragraph (a) of this subsection is not prevented or impeded,

but requirements imposed for the purpose specified in paragraph (a) of this subsection shall be so framed as, in the Minister's opinion, to secure that compliance therewith will not prejudice the proper and efficient operation of the pipeline for the purpose of the conveyance on behalf of the owner thereof, in the quantity required by him, of the thing which it is designed to convey.

(7) A notice served on the owner of a pipeline under subsection (6) may authorise such owner to recover, from the person to whom a right is secured by the notice by virtue of paragraph (a) of that subsection, payments of such amounts as may be determined in accordance with provisions in that behalf contained in the notice, being payments in consideration of the rights being secured to such person.

(8) If the owner of a pipeline fails to comply with a requirement imposed by a notice served on him under subsection (6) of this section with reference to the pipeline, he is guilty of an offence and liable on summary conviction to a fine not exceeding ₦1,000; and, if the failure continues after his conviction he is guilty of a further offence and liable, in respect thereof, to a fine not exceeding fifty naira for each day on which the failure continues.

(9) The Minister may by notice to the owner of a pipeline whose failure to comply with any such requirement as aforesaid continues after his conviction of a first offence under subsection (8) of this section revoke the licence of such owner.

PART IV

Compensation

19. Court having jurisdiction as to compensation

If there be any dispute as to whether any compensation is payable under any provision of this Act or if so as to the amount thereof, or as to the persons to whom such compensation should be paid, such dispute shall be determined by a magistrate exercising civil jurisdiction in the area concerned if such magistrate has in respect of any other civil matter monetary jurisdiction of at least as much as the amount of compensation claimed, and if there be no such magistrate, by the High Court exercising jurisdiction in the area concerned and, notwithstanding the provisions of any other Act or law, in respect of the decision of a magistrate in accordance with this section there shall be an appeal to the High Court of the State and in respect of a decision of the High Court of the State under this section, whether original or appellate, there shall be an appeal to the Court of Appeal:

Provided that nothing in this Act shall be deemed to confer power upon a magistrate to exercise jurisdiction in a matter raising any issue as to the title to land or as to the title to any interest in land.

20. Basis of assessment of compensation

(1) If a claim is made under subsection (3) of section 6 of this Act, the court shall award such compensation as it considers just in respect of any damage done to any buildings, crops or profitable trees by the holder of the permit in the exercise of his rights thereunder and in addition may award such sum in respect of disturbance (if any) as it may consider just.

(2) If a claim is made under subsection (5) of section 11 of this Act, the court shall award such compensation as it considers just, having regard to--

(a) any damage done to any buildings, crops or profitable trees by the holder of the licence in the exercise of the rights conferred by the licence; and

(b) any disturbance caused by the holder in the exercise of such rights; and

(c) any damage suffered by any person by reason of any neglect on the part of the holder or his agents, servants or workmen to protect, maintain or repair any work, structure or thing executed under the licence; and

(d) any damage suffered by any person (other than as stated in such subsection (5) of this section) as a consequence of any breakage of or leakage from the pipe-line or an ancillary installation; and

(e) loss (if any) in value of the land or interests in land by reason of the exercise of the rights as aforesaid,

and also having regard to any compensation already awarded in accordance with subsection (1) of this section.

(3) In determining the loss in value of the land or interests in land of a claimant the court shall assess the value of the land or the interests injuriously affected at the date immediately before the grant of the licence and shall assess the residual value to the claimant of the same land or interests consequent upon and at the date of the grant of the licence and shall determine the loss suffered by the claimant as the difference between the values so found, if such residual value is a lesser sum.

(4) No compensation shall be awarded in respect of unoccupied land as defined in the Land Use Act, except to the extent and in the circumstances specified in that Act.

[Cap. L5.)

(5) In determining compensation in accordance with the provisions of this section the court shall apply the provisions of the Land Use Act so far as they are applicable and not in conflict with anything in this Act as if the land or interests concerned were land or interests acquired by the President for a public purpose.

(6) If the total sum awarded by the court in accordance with this section exceeds an amount already offered to the claimant by the holder of the licence the court may order such holder to pay the costs of the proceedings; and if the sum so awarded does not exceed the amount offered by such holder the court shall either order the claimant to pay the cost of the proceedings or order each side to bear its own costs.

(7) Compensation (if any) awarded by the court in accordance with this section shall be a sum of money payable forthwith or shall consist of periodical instalments or partly one and partly the other:

Provided that nothing contained in this subsection shall preclude the court awarding additional compensation upon subsequent application if loss or damage from the operation of the oil pipeline be proved and the court is of opinion that such loss or damage is loss or damage not contemplated at the date of the original award.

21. Compensation where local community interested

Where the interests injuriously affected are those of a local community, the court may order the compensation to be paid to any chief, headman or member of that community on behalf of such community or that it be paid in accordance with a scheme of distribution approved by the court or that it be paid into a fund to be administered by a person approved by the court on trust for application to the general, social or educational benefit and advancement of that community or any section thereof.

22. Parties in possession as owners to be deemed entitled to lands

If any question arises respecting the title to the lands affected under this Act, the parties in possession as being the owners thereof, or in receipt of the rents of such lands as being entitled thereto at the time of service of notice under section 6 or 8 of this Act, as the case may be, shall be deemed to have been lawfully entitled to such lands, unless the contrary be shown to the satisfaction of the court, and they and all parties claiming under them or consistently with their possession shall be deemed entitled to any compensation payable under this Act, but without prejudice to any subsequent proceedings against such parties at the instance of any person claiming to have a better right thereto.

23. Exoneration upon payment

The payment to any person to whom any compensation shall be paid or the payment into court of any compensation upon a decision of the court shall effectually discharge the person making such payment from seeing to the application or being answerable for the misapplication thereof:

Provided that where any person is in possession of any land affected by the provisions of this Act by virtue of any estate less than an estate of inheritance, or where any person is in possession thereof in any fiduciary or representative character, the compensation may be paid to such person and in such proportions and instalments and after such notices as the court may direct.

PART V

Miscellaneous

24. Proceedings where possession of land withheld

If any person hinders or obstructs any person duly authorised in accordance with the provisions of this Act from entering upon or taking possession of or using any lands in pursuance of this Act, the person so hindered or obstructed may apply *ex parte* at any time to the High Court exercising jurisdiction in the area for a writ of possession and such court may issue a writ of possession addressed to the sheriff under which any officer of the sheriff or police officer may forthwith eject any person so withholding possession.

25. Penalty for hindering the taking possession of lands, etc.

Every person who shall wilfully hinder or obstruct any person duly authorised from entering upon or taking possession of or using any land in pursuance of the provisions of this Act, or who shall molest, hinder or obstruct such person when in possession of such lands, or shall hinder or obstruct any officer of the sheriff or police officer when executing a writ of possession, shall be liable on summary conviction to a fine of ₦50 or to imprisonment for three months.

26. Deviation when land required for public purposes

It shall be lawful for the Minister to require deviation of the route of an oil pipeline so far as it affects any land required for a public purpose by the Government of the Federation or the Government of a State upon such terms as to compensation, or otherwise, as shall be agreed with the holder, or failing such agreement, as may be arrived at by arbitration.

27. Effect of breach of terms or conditions

(1) If there shall be a breach of any of the terms or conditions upon which a licence has been granted, the Minister may by notice in writing require the holder of the licence to remedy such breach within such period, being not less than three months, as may be specified in such notice.

(2) If the holder of the licence shall fail within the period so specified to remedy such breach the Minister may by notice to the holder revoke the said licence, without prejudice to anything lawfully done thereunder and without prejudice to any claims for compensation against the holder made in accordance with the provisions of this Act.

28. Disposal of pipeline and installations on termination of licence

(1) Upon the expiration or sooner determination of a licence, the holder of the licence shall before or within three months after the termination of such licence be at liberty upon giving three weeks' notice to the Minister to remove such pipeline and any ancillary installation to the extent that the Minister does not elect to purchase such pipeline or any such installation or any part thereof; and in the event of the Minister and the holder of the licence not agreeing as to the purchase price the same shall be determined by arbitration.

(2) The holder of a licence shall make good any damage done to the land included in the licence by removal of a pipeline or ancillary installation.

29. Sale of licence by court to be approved by Minister

No licence granted under this Act shall be sold by or under the orders of a court in execution of a decree or otherwise howsoever, except to a purchaser approved in writing by the Minister and under terms to be approved by the Minister.

30. Effect of this Act upon other enactments

(1) A copy of any permit to survey and of any licence granted under this Act, certified by the Permanent Secretary having supervision over the department of the Federal Government carrying out the provisions of this Act to be a true copy, together with any

plans or documents that may be prescribed by regulations made under this Act, shall be delivered by the holder of such permit or licence to the registry established under the Land Use Act for each State to which such permit or licence relates.

[Cap. L5.]

(2) The provisions of the Land Use Act shall not apply to any such permit or licence, but any such permit or licence shall in so far as it affects any land take effect as against other instruments affecting the same land as though it had been registered under that Act upon the date of the grant of such permit or licence.

(3) The grant of a permit or licence under this Act shall not be invalid by reason of any provision of the Land Use Act nor shall a permit or licence be subject to any provision of either of such Acts.

31. Fees

(1) The applicant for a permit to survey shall pay a fee of twenty naira upon submitting his application, and a fee of fifty naira upon the grant of such permit.

(2) The applicant for a licence shall pay a fee of fifty naira upon submitting his application, and a fee of ₦200 upon the grant of such licence.

(3) The holder of a permit shall pay a fee of ₦ 50 in respect of each variation of such permit.

(4) The holder of a licence shall pay a fee of ₦ 200 in respect of each variation of such licence.

(5) An annual fee shall be paid on each licence of twenty naira per mile of the length of the pipeline subject to a minimum of ₦ 200.

(6) The holder of a licence shall pay a fee of ₦ 100 upon submitting his application for a restriction order under section 12 of this Act, and a fee of such amount as the Minister may determine not exceeding ₦ 400 on such order being made.

32. Offences by bodies corporate

Where an offence under this Act which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary, or other similar officer of the body corporate, or any person purporting to act in any such capacity, he, as well as the body corporate, shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

33. Regulations

The Minister may by regulation prescribe-

(a) the manner in which any application in accordance with the provisions of this Act shall be made and the forms to be used;

(b) the manner in which the holders of exclusive prospecting licences, mining rights and mining leases granted under the Minerals and Mining Act or a licence granted under the Nigerian Coal Corporation Act or licences or leases granted under the Minerals and Mining Act may operate over an area subject

to an oil pipeline licence and the manner in which the area covered by an oil pipeline licence may infringe on the area subject to an exclusive prospecting licence, mining right or mining lease or other licence or lease so granted;

[Cap. M 12. Cap. N95.]

(c) measures in respect of public safety, the avoidance of interference with works of public utility in, over and under any land and the prevention of pollution of any land or water;

(d) such matters relating to the construction, maintenance and operation of oil pipelines as the Minister considers it necessary or appropriate to prescribe;

(e) generally for carrying into effect the purposes and provisions of this Act.

34. Delegation of powers of Minister

The powers conferred on the Minister by this Act, or any of them, may be exercised by any officer of the Ministry of Petroleum Resources designated in that behalf by the Minister.

SUBSIDIARY LEGISLATION

List of Subsidiary Legislation

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OIL AND GAS PIPELINES REGULATIONS

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OIL AND GAS PIPELINE REGULATIONS

[S.1. 14 of 1995.]

[17th June, 1995]

[Commencement.]

PART I

Preliminary

1. Permit to survey pipeline route, etc.

(1) No oil pipeline licence shall be granted or renewed unless the route of-

- (a) the pipeline has been surveyed; or
- (b) in the case of a renewal, the pipeline has been re-surveyed.

(2) No surveyor re-survey shall be carried out under paragraph (1) of this regulation unless a permit to survey has been obtained in accordance with the provisions of sections 4 and 5 of the Oil Pipelines Act.

[Cap. 07.]

(3) An application for a permit to survey shall be accompanied with ten copies of the topographical map of the proposed route of the pipeline drawn on scale-

(a) 1:50,000, for a pipeline that is not more than fifty kilometres long;

(b) 1:100,000, for a pipeline that is over fifty kilometres but not more than 100 kilometres long; and

(c) 1:250,000, for a pipeline that is over 100 kilometres long.

2. Application for licence to construct and operate a pipeline

(1) Application for a licence to construct a pipeline shall-

(a) be made during the validity of a permit to survey; and

(b) be in accordance with the provisions of Part III of the Oil Pipelines Act.

(2) The application shall also be accompanied with the following, that is-

(a) a statement indicating-

(i) the services to be rendered by the pipeline;

(ii) the specification of the pipeline;

(iii) the characteristic of the fluids to be conveyed through the pipeline; and

(iv) the total estimated cost of construction of the pipeline;

(b) a survey description, in accordance with the Nigerian National Grid, of the total route of the pipeline, indicating the width of the right of way, with the co-ordinates of the various points of intersection;

(c) ten copies of the plan of the pipeline showing-

(i) the proposed route of the pipeline marked in red and the sections and quarter sections;

(ii) the location of each point at which there is a change in the outside or the nominal diameter of the pipeline, the wall thickness of the pipeline material, the type and grade of the pipeline and the designed maximum operating pressure;

(iii) the direction of fluid flow along the pipeline;

(iv) the location, shown by symbols, of any installation along the pipeline;

(v) the location of the points at which the new pipeline would cross any other pipeline, stating the owner of the pipeline being crossed;

(vi) the relative position of any existing pipeline in the same right of way of the new pipeline;

(vii) any pipeline within a distance of 100 metres of the new pipeline, stating the owner of that pipeline;

(viii) the regional topography of the area along the pipeline route, within a distance of 100 metres on both sides, including any watercourse that the new pipeline would cross;

(d) two copies of the plan of the pipeline showing-

- (i) the location of any anchor or expansion loop;
- (ii) the location and operating details of corrosion prevention devices, main line valves and any emergency shut-down devices;
- (iii) the pig lanching and receiving points and any tie-in-points with operating details;

(e) a hydraulic profile of the pipeline indicating the position of any pumping or booster station;

(f) the ancillary facilities along the pipeline or at its terminal ends, including compressor stations, manifolds and metre banks, giving a general description of each facility and its proposed operation parameter; and

(g) two copies of the plan and profile of the pipeline, indicating the manner in which the new pipeline would cross any highway, railroad, waterway or any other pipeline along the route.

(3) No licence to construct a pipeline shall be granted or released unless a list of the construction companies being considered for the construction work has been submitted to and approved by the Department of Petroleum Resources (in these Regulations referred to as "the Department") in accordance with the provisions of the Petroleum (Drilling and Production) Regulations 1969, as amended.

[L.N. 69 of 1969.]

PART II

Design, construction and inspection, etc., of oil pipelines

3. Pipeline design

(1) The design of a pipeline for the purposes of these Regulations shall be-

(a) such that it shall be suitable for the transportation of liquid petroleum, including crude oil, refined products, natural gas liquid condensate and liquified petroleum gas; and

(b) as set out in this Part of these Regulations.

(2) The design for the relocation, replacement and upgrading of an existing pipeline shall also conform with the provisions of paragraph (1) of this regulation.

4. Standard of design

(1) The standard of design for the pipeline shall be as follows, that is-

(a) it shall conform with-

- (i) the ASTM A 106 Grade B or API 5L Grade B or any acceptable equivalent standard, as the minimum requirement for a low pressure range or small diameter pipeline; and
- (ii) any of the API 5 LX grade range, for a high working pressure or large diameter pipeline, where a lower grade would require excessively thick walls to cope with the desired working pressure;

(b) the pipeline shall be seamless and be Electric Resistance Welded (ERW) or Double Submerge Arc Welded (DSA W);

- (c) the design shall be in accordance with the ANSI/ASME B 31.4-1979 standard code and any subsequent revision, published by the American Society of Mechanical Engineers under the title "Liquid Petroleum Transportation Systems".

(2) In addition to the pipeline being in conformity with the ANSI/ ASME B 31.4-1979 code special attention shall be paid to the following matters, that is-

- (a) where a pipeline is to be laid at sea or river-bed without burial, the wave and current loads on the pipeline shall be taken into account in the stress calculation of the pipeline;
- (b) where applicable, the calculation of limit stress due to sustained load, thermal expansion and occasional loads shall conform strictly with paragraphs 402.3.2. and 402.3.3. of the ANSI/ASME B 31.4-1979 code;

CAP. 07

Oil Pipelines Act

- (c) the design and materials selection of the pipeline components, including tees, elbows, bends, valves and fittings shall in all respects conform with Parts II and III of Chapter n of the ANSI/ASME B 31.4-1979 code;
- (d) no used fitting of an existing pipeline shall be used on a new pipeline unless its original specification has been identified and confirmed to be capable of performing the new service;
- (e) the threaded joints at the internal and external portions of the pipe shall be of the Tapered Pipe Thread type and conform with the API standard 5B or NPT threads in accordance with ANSI B2-1;
- (f) the least nominal wall thickness of the threaded portion of the pipe shall not be less than the value specified in ANSI B. 36.10;
- (g) all threaded joints of the pipe shall be of those sections of the pipeline that are above the ground;
- (h) if two or more pipelines are to be so connected that one will operate at a pressure higher than the other, they shall be so designed that the pipeline system operating at the lower pressure shall not be subjected to any pressure greater than that for which it is licensed;
- (i) any pipe fitting valve or equipment connected to the pipeline shall have the manufacturer's rating which is equal to or greater than the proposed maximum operating pressure of the pipeline.

Construction

5. Construction of pipeline

The procedure to be followed, the specification requirements and the other matters that shall be considered in the construction of a new pipeline or in the replacement of an existing pipeline shall be as follows, that is-

- (a) no person granted a licence to construct a new pipeline or replace an existing pipeline shall begin construction work unless he has given the Department written notice of his intention to do so;

(b) any metallic pipeline material to be buried shall be coated with-

(i) coal-tar enamel, asphalt enamel, polyethylene tape, epoxy, asphalt mastic, urethane or extruded polyethylene; or

(ii) any other material specially approved by the Department for that purpose;

(c) a surface pipeline shall be painted, raised and maintained above ground on permanent supports;

(d) the pipeline construction shall-

(i) follow the steps outlined in Chapter V of the ANSI/ASME B 31.4- 1979 code; and

(ii) be carried out in a way that shall cause the least disturbance to the environment;

(e) special precautions shall be taken to protect the pipeline from wash-outs, unstable soil, landslide or any other hazards that may cause the pipeline to shift or be subjected to abnormal loads;

(f) ditching for the pipeline shall be in accordance with good pipeline practice;

(g) consideration for public safety shall be in accordance with the provision of APRP 1102 or any other recognised equivalent standards;

(h) the minimum soil coverage of a pipeline shall be-

(i) in the case of dry land, 0.9 metre;

(ii) in the case of a river crossing and river-beds, 1 metre;

(iii) in the case of drainage ditch, railroad and highway crossing, 1.2 metres;

(iv) in the case of a rocky area, 0.6 metre;

(v) in the case of a swamp, 0.6 metre; and

(vi) in the case of a shipping channel, 1.5 metres;

(i) the pipeline welding shall be in accordance with the provisions of API 1104-1973 and welding inspection shall be by non-destructive method using the radiographic method set out in API 1104-1973 or its subsequent editions;

(j) in addition to the specific requirements of the relevant government agency responsible for railroad and highway crossings, the following precautions shall be taken at railroad and highway crossings, that is-

(i) any installation of carrier pipe or casing shall be in accordance with API RP 1102;

(ii) the casing shall either be insulated from its carrier pipe support and extend to both sides of the railroad or highway or the crossing shall be of a thicker wall pipeline covered with compacted fill and protective reinforced concrete slab;

(iii) a surface line shall be similarly buried with casing protection or special construction as specified in sub-paragraph (ii) of this paragraph at such crossings;

(iv) a pipeline warning sign shall be conspicuously displayed by the licensee at the entry and exit points of the railroad, highway, river or any other pipeline crossing;

(k) the licensee shall, before commencing any ground disturbance in a populated or controlled area-

(i) locate the position and alignment of the pipeline with marking and distinguishable warning signs at such intervals as may be specified by the Department;

(ii) identify any pipeline within thirty metres radius of its area of ground distance during the construction of the pipeline;

(l) if there is an indication that a pipeline is within thirty metres radius of the pipeline or a pipeline crossing, the licensee or any other person undertaking construction within that radius shall locate the pipeline and mark it so that it

can be identified and avoided by the construction equipment and no person shall excavate within one metre radius of the pipeline so located;

(m) the Department may direct that an existing pipeline or pipeline crossing located within the construction zone of the new pipeline in a populated or controlled area shall, during the period of ground disturbance in its vicinity, be-

(i) completely depressurized; or

(ii) operated at reduced pressure; or

(iii) otherwise protected;

(n) mainline block valves shall be installed-

(i) on the upstream side of major river crossings;

(ii) at pump stations; and

(iii) at other sensitive locations of the pipeline, including industrial, commercial and densely populated areas where construction activities may pose particular risks of damage to the pipeline, the right of way of the pipeline shall be clearly marked in those areas with signs for ease of identification;

(iv) check valves shall be installed on the downstream of river crossings;

(v) the licensee shall, not later than six months after completion of construction, submit two copies of the as-built plan of the pipeline on the same scale as that of the plan submitted with the application for the pipeline licence.

Inspection and testing

6. Commencement of inspection and testing

The licensee shall, on completion of the construction of the pipeline, give the Department not less than seven days' notice of its intention to commence inspection and testing of the pipeline.

7. Inspection and testing guidelines

The guidelines for the inspection and testing of a pipeline are as follows, that is-

(a) the pipeline shall be inspected visually and examined radiographically in accordance with the procedure set out in Chapter VI of the ANSI ASME B 31.4 1979 code or its subsequent revisions;

(b) pressure tests shall be conducted by hydrostatic method and in such manner as shall ensure the protection of life, property and the general environment of the pipeline;

(c) the entire length of the pipeline shall be tested to the designed rated pressure;

(d) an in-line pressure vessel or a pre-fabricated manifold on the pipeline shall be tested to the manufacturer's specifications in accordance with the Mineral Oils (Safety) Regulations 1963;

[LN. 45 of 1963.]

(e) the pressure recording instruments to be used for testing shall have a valid calibration certificate which shall not be more than a year old;

(f) the accuracy of the pressure recording instrument shall be within two per cent of its range;

(g) the chart record of the test shall be continuous and legible and the test result and any remedial action taken shall be submitted to the Department for approval before the pipeline is commissioned;

(h) except with the permission of the Department, the duration of pressure tests-

(i) shall not be less than 24 hours of continuous testing in the case of leaks and material failures, and

(ii) may be less than 24 hours of continuous testing but not less than one hour in the case of buried pipelines of not more than 100 metres in length and all surface running pipelines;

(i) all buried pipelines shall be tested to a pressure of not less than 1.25 times the maximum designed operating pressure;

(j) surface pipelines transmitting liquid petroleum or gas shall be tested up to a pressure of not less than 1.4 times the maximum designed operating pressure;

(k) unless otherwise authorised or permitted by the Department-

(i) the actual test pressure throughout the duration of the test shall not exceed 10 per cent of the minimum yield strength of the pipe material and the test equipment shall appropriately be pre-set not to produce above that pressure;

(ii) the test medium shall be water;

(iii) the pipeline shall be tested to a minimum pressure of not less than 700 kilopascals;

(l) the maximum test pressure in all cases shall not result in a hoop stress greater than 110 per cent of the specified maximum yield strength of the pipe material based on its nominal wall thickness; and

(m) valves and fittings on the pipeline shall not, during the test, be subjected to a pressure greater than the manufacturer's test pressure rating.

8. Environmental protection guidelines

Where-

a) the test pressure results in a hoop stress greater than 75 per cent of the specified minimum yield strength of the pipeline based on its nominal wall thickness; or

(b) the pipeline crosses or passes within 100 metres of a watercourse, the operator shall assure the Department that adequate contingency plans have been made for protecting the environment.

Operation and maintenance

9. Operating and maintenance guidelines

The guidelines for the operation and maintenance of the pipeline are as follows, that is-

(a) a licensee shall-

(i) not begin to operate a pipeline unless he has obtained the approval of the Department;

(ii) establish a written emergency plan for implementing in the event of systems failure, accidents or other emergencies;

(b) an emergency plan established under sub-paragraph (a) (ii) of this paragraph shall include procedures for prompt and expedient remedial action for-

(i) the safety of the personnel of the operating company and of the public;

(ii) the protection of property and the environment;

(iii) the control of accidental discharge from the pipeline; and

(iv) the adequate training of personnel for the handling of emergencies;

(c) the maximum steady state operating pressure and static condition shall not exceed-

(i) the internal design pressure; or

(ii) the pressure ratings of the components,

whichever is less, and the pressure surges or the momentary pressure variations shall not exceed ten per cent;

(d) pipeline markers at crossings shall indicate the location of the pipeline and the name of the operating company;

- (e) all pressure relief devices shall be-
 - (i) activated after installation to ensure that they function properly
 - (ii) inspected and re-certified once in 26 months, and the report of the inspection and re-certification shall be sent to the Department;
- (f) the right of way shall be maintained to provide a clear visibility and give reasonable access to the maintenance crew;
- (g) clear access shall be maintained to valves locations, and ditches shall be protected against washout of the pipeline;
- (h) the right of way shall be regularly patrolled for prompt detection of any line-break, encroachment or any other situation that may endanger the safety of the pipeline;
- (i) any line-break, encroachment or dangerous situation detected under sub-paragraph (h) of this paragraph shall be promptly reported to the Department;

- (j) all underwater crossings shall be inspected not less than once in five years to ensure that-
 - (i) there is sufficient cover for the pipeline; and
 - (ii) the safety of the pipeline at the crossing is not endangered in any way;
- (k) any repair to the pipeline shall be carried out in accordance with-
 - (i) good pipeline practice; and
 - (ii) the safety provisions contained in the standards API RP 1107 and API RP 1111 or their recognised equivalent standards;
- (l) the repaired section of the pipeline shall be pressure-tested at the same expected operating conditions relating to a new pipeline;
- (m) the riser installation or an offshore pipeline connected to a platform shall be visually inspected every year for physical damage or corrosion in and above the splash zone;
- (n) the record of an inspection under sub-paragraph (m) of this paragraph shall be kept on location for verification, whenever the need arises.

Cathodic protection and corrosion control

10. Design of cathodic protection

The design for the cathodic protection from external and internal corrosion of a ferrous pipeline and its components shall be in accordance with the specifications and procedures prescribed in the NACE RP 0169-89 or equivalent standards.

11. Maintenance of the cathodic protection system

(1) The cathodic protection system shall-

- (a) be maintained in a serviceable condition; and
- (b) be electrically tested at least once in two years.

(2) Where a test under paragraph (1) (b) of this regulation reveals a weakness in the cathodic protection system, appropriate measures shall be taken and a report of the test and the measures taken shall be promptly sent to the Department.

(3) All sources of impressed current such as rectifiers and other associated devices in the cathodic protection system, shall be inspected and tested every four months to ensure their proper functioning.

12. Cathodic protection system

(1) The cathodic protection system shall be provided by a galvanic anode or an impressed current anode system which shall-

- (a) be installed in such a way that it mitigates corrosion; and
- (b) contain a method of determining the degree of cathodic protection achieved on the pipeline.

(2) The criteria for selecting the appropriate protection system shall be as listed in paragraph 7.5 of section 7 of the NACE Standard RP 169-83.

(3) A cathodic protection system shall be-

- (a) installed not later than one year after the laying of the pipeline and in such a way that the pipe coatings at the point of installation are kept intact;
- (b) electrically isolated at all inter-connections to other pipeline systems or structures except where the two structures are mutually protected by the same system;
- (c) protected against damage by atmospheric electrical discharges, underground cables and power-lines.

(4) Except for underwater pipelines, sufficient test leads shall be installed at test stations of buried pipelines for the periodic checks of the effectiveness of the cathodic protection system which shall be carried out by electrical measurements.

(5) A minimum distance of three metres shall be maintained between the electric transmission tower footings, ground cables and earthings, power-lines and the pipeline being protected.

(6) For the purposes of paragraph (4) of this regulations, "**test stations**" includes all pipe casing installations, insulating joints, crossing and main manifold junctions.

13. External corrosion control

The guidelines for the application of coating to the pipeline and its cathodic protection for the control of external corrosion of a buried or submerged pipeline are as follows, that is-

- (a) the coating shall-
 - (i) be applied in such a way that it will mitigate corrosion and effectively resist under-film migration;

- (ii) be ductile and strong enough to resist cracking and damage during handling and under soil stress;
- (iii) be compatible with any supplemental cathodic protection;
- (iv) if it is on insulating type material, have low moisture absorption;
- (v) be applied in such a way that no irregularities protrude through it and no holiday gaps exist anywhere on the pipeline;
- (b) the points of connection of any attachment to the pipeline shall be sealed with the coating.

14. Internal corrosion control

(1) This guidelines for the corrosion control of a pipeline are as follows, that is-

(a) no corrosive material shall be transported in a pipeline unless appropriate measures have been taken to mitigate the corrosive effect of the material on the internal coating of the pipeline;

(b) internal corrosion shall be prevented by-

(i) frequent pigging, inhibiting or scraping; or

(ii) the application of internal coating on the pipeline before it is laid.

(2) Whichever method is used under paragraph (1) (b) of this regulation, appropriate precaution shall be taken, for example-

(a) in the case of inhibition of the pipeline, sufficient coupon holders shall be used; and

(b) in the case of application of internal coating, the established industry standards of internal coating material shall be complied with.

15. Monitoring of internal corrosion

(1) Internal corrosion in a pipeline shall be monitored by running an intelligent pig or other internal survey instrument through the pipeline at least once in five years.

(2) A report of a monitoring survey carried out under paragraph (1) of this regulation shall be sent to the Department.

PART III

Gas transmission and distribution pipelines

16. Guidelines for design, etc.

The guidelines for the design, fabrication, installation, inspection, testing, operation and maintenance of a gas transmission and distribution pipeline required to operate with metal temperature of between 450 of and minus 20 of shall be as follows, that is-

(a) the standard of design shall be in accordance with the specifications of ANSV/ASME B31.8-1986 titled "Gas Transmission and Distribution Pipe Systems" or its later editions;

(b) all structural materials, valves, fittings, bolting and tubing to be used shall generally conform with the specification in Appendix B of the reference standard ASMEB31.8;

(c) the gas pipeline shall be generally seamless or of the ERW (Electric Resistance Welded) and DSA W (Double Submerged Arc Welded) types;

(d) the use of thermoplastic and thermosetting pipe materials may be acceptable if they conform with the ASTM specifications 02513 and 02517 respectively and are inhibited against material degradation effects by ultra-violet rays if used in locations where the pipeline is exposed to sunlight;

(e) the weldability of the ferrous pipe materials shall be tested in accordance with the requirements of API standard 1104;

(f) adequate provisions shall be made for-

(i) the flexibility of the pipeline while under pressure in the form of anchorage and guide points; and

(ii) temperature-induced stresses by allowing for expansion joint couplings.

17. Construction

The guidelines for the construction of a new gas pipeline or for the replacement of an existing gas pipeline shall be as follows, that is-

(a) the design and construction of a pipeline and its corresponding corrosion control installation shall be in accordance with the Standards and codes specified in ANSI/ASME B 13.8, and in the National Association of Corrosion

Engineers Standard RP 0169-83, generally referred to as NACE Standard RP 0169-83;

(b) a long distance gas transmission pipeline shall be made of steel and its design and construction shall be governed by the population density indices specified in ANSI/ASME B31.8 and the corresponding design factor;

(c) where a type of construction is specified for a pipeline in the proximity of main roads and railroads and their mode of crossings, the pipeline shall be constructed to those specifications;

(d) the minimum depth of burial of the pipeline shall be specified in regulation 5 (h) of these Regulations but where-

(i) the minimum depth cannot be achieved; or

(ii) the pipeline would be exposed to excessive external loads, the pipeline, at those points, shall be encased, bridged or specially reinforced to withstand any anticipated external loads;

(e) there shall be a minimum clearance of 0.5 metre between the pipeline and any other underground structure not connected with it;

(f) a buried pipeline shall be protected against corrosion and if a pipeline is to transport corrosive or toxic gas-

(i) the design parameter of the pipeline shall be such that the gas pressure in the pipeline at any time shall not result in a hoop stress greater than sixty per cent of the specified minimum yield strength of the pipeline material based on its nominal wall thickness; and

(ii) the block valves and check valves for the pipeline shall be so located as to prevent the escape of the corrosive or toxic gas into the atmosphere in the event of a pipeline failure;

(g) the inspection of the pipeline construction materials and its appurtenances, welding, ditching, stringing and the general installation shall be in accordance with the procedure outline set out in Chapter IV of ANSI/ASME B31.8;

(h) a pipeline laid-

(i) in a farmland, virgin area or sparsely populated area, shall be tested with water up to a minimum pressure of 125 per cent of its designed maximum operating pressure or with air up to 110 per cent of its maximum operating pressure;

(ii) in a densely populated area, shall be tested only with water up to a minimum pressure of 140 per cent of its designed maximum operating pressure, and the result of the test shall be sent to the Department;

(j) a pipeline, designed to withstand twenty per cent more of the specified minimum yield strength, shall be tested by using pressurised air or gas between 100 psi to twenty per cent of the minimum specified yield of the material, and a pipeline designed to operate at below 100 psi shall be leak-tested at the maximum system pressure.

18. Use of cast-iron material

Cast-iron materials shall not be used for a gas pipeline unless-

(a) specific application, supported with compelling reasons for using the cast-iron material, has been made to the Department;

(b) the Department has given special approval for the material to be used;

(c) the design is strictly in accordance with the specifications set out in paragraph 842 of the reference standard ANSI/ASME B31.8.

19. Use of plastic material

(1) Thermoplastic and thermosetting plastic material of the grades specified in ASTM D 2513 and ASTM D 1217 may be used for laying service lines only.

(2) The guidelines for the use of plastic materials are as follows, that is-

(a) where the value of the plastic design factor is not less than 0.32 for any case, the design pressure for the plastic gas pipeline shall be in accordance with the formula given in paragraph 842.31 of ANSI/ASME B31.80;

(b) the plastic materials shall be used in any service where the maximum and minimum operating temperatures are higher than 100°F or lower than minus 20 of respectively;

(c) the plastic materials used shall be inhibited against the effect of ultra-violet rays which renders such materials brittle when exposed to sunlight;

(d) the plastic pipes or tubing shall not be threaded at joints but shall be jointed by the solvent cement method, adhesive method, heat-fusion or by means of compression coupling or flanging, whichever conforms with the manufacturer's specifications;

(e) extreme caution shall be taken in laying plastic pipelines to avoid damage to the material, consequently;

(f) a buried plastic pipeline of-

(i) 1/2 inch nominal diameter and above, shall have a minimum wall thickness 0.1 inch; and

(ii) below-inch nominal diameter, shall have a minimum wall thickness of not less than 0.06 inch;

(g) a plastic pipeline shall-

(i) be buried in undisturbed or well compacted soil and no mitre bend shall be permitted at any portion of the pipeline;

(ii) be tested at a pressure of not less than 150 per cent of its maximum operating pressure or 50 psig, whichever is greater;

(iii) not be subjected on any occasion to a pressure of more than 300 per cent of its maximum operating pressure.

20. Operation and maintenance

(1) The operation and maintenance of-

(a) the pipeline, shall be as specified in regulation 9 of these Regulations; and

(b) the associated corrosion system, shall be in accordance with the provisions of NACE Standard RP 1069.83.

(2) A pipeline that is not put into use-

(a) after six months of its construction, shall be filled with inert gas or nitrogen;

(b) until after one year of its construction, shall be pressure-tested and certified by the Department before it is put into use.

(3) The gas pipeline system shall be well purged with water, air or inert gas before any repair is undertaken and the environment of the repair site shall be monitored constantly with a gas detecting device to ensure adequate safety.

PART IV

Procedure for upgrading pipeline or changing substance transmitted by pipeline

21. Application for upgrading pipeline, etc.

(1) A licensee who desires to upgrade the maximum operating pressure of his pipe-

line shall make an application to the Department stating the following, that is-

- (a) the reason for his desire to upgrade the pressure;
- (b) the leak history of the pipeline to be upgraded;

(c) the modification required to be made to the pipeline system to render it qualified for upgrading in accordance with the specifications contained in paragraph 845 of ANSI/ASME 3.18;

(d) the test that the licensee intends to carry out on the pipeline system in accordance with regulation 16 of these Regulations in which the upgraded maximum operating pressure shall now be the new parameter to use for the tests;

(e) such other information as the Department may deem necessary to enable it to take a decision on the application.

(2) The Department may grant approval for the upgrading of the pipeline and its operation at the upgraded operating pressure if the Department is satisfied with the information supplied to it under paragraph (1) of this regulation.

22. Change of substance transmitted by the pipeline

(1) Where a licensee desires to change the nature of the fluid transmitted by the pipeline, that is-

- (a) from liquid petroleum to gas; or
- (b) from sweet gas to corrosive gas,

he shall make an application to the Department.

(2) A licensee who makes an application under paragraph (1) of this regulation shall state-

- (a) the reason for desiring the change;
- (b) the leak history of the pipeline concerned;
- (c) the modification required to the pipeline system to render it capable of performing the new service;
- (d) such other information as the Department may deem necessary to enable it to undertake a realistic assessment of the application for the purpose of approval.

(3) The Department may grant approval for the change of substance transmitted by the pipeline if the Department is satisfied with the information supplied to it under paragraph (2) of this regulation.

PART V

Discontinuation, abandonment and resumption of operation of pipeline system

23. Discontinuation

(1) A licensee who desires to discontinue the operation of the pipeline system or its ancillary facilities shall apply to the Department giving at least three months' notice of his intention to do so.

(2) An application made under paragraph (1) of this regulation shall be accompanied with-

(a) the reasons for the discontinuation of the pipeline system or its ancillary facilities;

(b) two copies of the plan of the entire pipeline or part thereof in which the operation is to be discontinued shown in green colour;

(c) the method proposed to be used for the discontinuation of operations.

(3) The Department may, if satisfied with an application made under this regulation, grant a discontinuation approval upon such conditions as it may determine.

(4) On the grant of an approval made under paragraph (3) of this regulation and subjected to any condition attached to the approval, the pipeline shall be-

(a) disconnected from all other facilities connected to it, including other pipelines, meter stations, ancillary facilities and appurtenances;

(b) purged of petroleum liquid or gas by using water or inert material and capped at both ends with moisture resistant materials.

24. Abandonment and removal of pipeline

(1) Where a pipeline is to be completely abandoned, the provisions set out in regulation 23 of these Regulations shall apply.

(2) The right of way of an abandoned pipeline shall continue to be maintained and clearly identified for as long as the pipeline remains in place.

(3) Where the abandoned pipeline-

(a) is to be removed, the licensee shall send to the Department the proposed work programme for the removal for approval;

(b) has been removed under sub-paragraph (a) of this paragraph, the licensee shall restore to perfect condition-

(i) the right of way of the pipeline; and

(ii) any disturbed land area in the vicinity of the pipeline.

25. Resumption of operation of abandoned or discontinued pipeline

(1) A licensee who desires to resume operations in an abandoned or a discontinued pipeline shall apply to the Department for approval.

(2) An application made under paragraph (1) of this regulation shall be accompanied with-

(a) the reasons for the resumption of operations; and

(b) the proposed method to be used in reactivating the pipeline.

(3) The Department may, if satisfied with an application made under this regulation, approve the reactivation of the pipeline under such conditions as it may determine.

(4) A pipeline reactivated under this regulation shall be tested as a new pipeline under the proposed operating conditions of the pipeline.

26. Offences

(1) A person who contravenes a provision of these Regulation is guilty of an offence and liable on conviction to a fine of up to ₦ 500, 000 or imprisonment for a term of six months or to both such fine and imprisonment.

(2) Where an offence under paragraph (1) of this regulation which is committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer, servant or agent of the body corporate (or any person purporting to act in such capacity), he as well as the body corporate shall be deemed to be guilty of the offence and may be proceeded against and punished in the same manner as an individual under paragraph (1) of this regulation.

27. Interpretation

In these Regulations, unless the context otherwise requires-

"Department" means the Department of Petroleum Resources in the Ministry;

"DSAW" means Double Submerged Arc Welded;

"ERW" means Electric Resistance Welded;

"Minister" means the Minister charged with responsibility for matters relating to petroleum resources and "Ministry" shall be construed accordingly.

28. Citation

These Regulations may be cited as the Oil and Gas Pipeline Regulations.